

FBIS

DAILY REPORT

CONTENTS

China

Vol I No 114

13 June 1985

PRC INTERNATIONAL AFFAIRS

GENERAL

Geneva Arms Talks Focus on Defense, 'Star Wars'	A	1
USSR's Tolkunov Denounces U.S. 'Star Wars' Plan	A	1
XINHUA Says SALT II Remains 'Semi-Paralyzed'	A	1
PRC, UK Present Hong Kong Declaration to UN	A	2
PRC's Zhu Rong Urges More Aid for Africa	A	3

UNITED STATES

RENMIN RIBAO on Dulles' 'Ridiculous' Predictions	[11 Jun]	B	1
--	----------	---	---

NORTHEAST ASIA

Hu Yaobang Greets Visiting Nagasaki Delegation	D	1
Education Minister Fetes DPRK Counterpart	D	1

SOUTHEAST ASIA & PACIFIC

Deng Xiaoping Honors Yunnan Border Troops	E	1
Marcos Jr, Philippine Officials Interviewed	E	1
Meets Officials, Tours Area	E	3
Philippines' Laurel Chosen Opposition Candidate	E	3
Manila Demonstrators Protest U.S. Intervention	E	4
Hu Yaobang, Hu Qili Meet Australian Minister	E	4

SOUTH ASIA

India To Set Up Committee for PRC Trade	F	1
Zhou Gucheng Meets Indian Parliamentarians	F	1
PRC To Provide Relief Aid to Bangladesh	F	1

WESTERN EUROPE

Zhao Ziyang, Delegation Continue Visit to FRG	G	1
Zhao Invites Students to PRC	G	1
Zhao Meets Party Leaders	G	1
Delegation Welcomed in Hamburg	G	2
Hamburg Mayor Fetes Zhao	G	2
Zhao Inspects Airbus	G	2
Comments on Western Influence	G	3
PRC Envoy Attends UK Society's Anniversary Fete	G	3
UK Soccer Team Pulls Out of PRC Tournament	G	3
NPC Group Leaves for Switzerland, Luxembourg	G	4

EASTERN EUROPE

Czechoslovak Vice Premier Potac Concludes Visit	H	1
Minutes of Economic Talks Signed	H	1
Leaves for Home	H	1
PRC Machine-Building Minister Visits Eastern Europe	H	1
Concludes Visit to Hungary	H	1
Meets GDR's Krolikowski	H	1
Poland Satisfied With Vice Premier Li Peng's Visit	H	2
Wang Bingnan Meets Polish Institute Delegation	H	2
CPC Workers Delegation Leaves for Romania	H	2

WESTERN HEMISPHERE

People's Congress Group Meets Argentine Leaders	J	1
U.S. Trade Embargo Against Nicaragua Analyzed	J	1
Antigua's Bird Looks Forward to PRC Visit	J	2

PRC NATIONAL AFFAIRS

JIEFANGJUN BAO Editorial Praises Troop Reduction	[13 Jun]	K	1
PRC 'Poised' To Accept Orders For Space Projects		K	2
[CHINA DAILY 13 Jun]			
Space Trade Fair Held		K	3
Science, Technology Trade Fair Closes 10 Jun		K	4
Li Peng Visits Fair		K	5
Commentary Lauds Fair Success		K	5
RENMIN RIBAO on Respecting Feelings of Masses	[12 Jun]	K	6
JINGJI YANJIU on Forms of Socialist Ownership	[20 Apr]	K	6
RENMIN RIBAO on Internationalized Economic Life	[10 Jun]	K	19

PRC REGIONAL AFFAIRS

EAST REGION

Jiangsu Sets Up Consumer Complaint Hotline	O	1
Reform Changes Shanghai Employment Patterns	O	1
Briefs: Jiangxi Rare Earths Industry	O	1

CENTRAL-SOUTH REGION

Guangdong Commentary on Models in Reform, Opening Up	P	1
Hainan Prefecture Cadres Return Excess Bonuses	P	1
Henan Party Leader Comments on Rural Work Issues	P	2
Landslide Reported in Zigui County, Hubei Province	P	3

SOUTHWEST REGION

Guizhou Achieves Results in Banning Pornographic Tapes	Q	1
Sichuan Provincial Organs Resist Malpractices	Q	1

NORTHWEST REGION

Gansu Helps Poor Areas Build Roads, Water Facilities	T	1
Gansu Evaluates Peasant Wealth, Rural Economy	T	1
Xinjiang Exploration Wells Begin Producing Oil	T	2
Briefs: Xinjiang Industrial Production	T	2

TAIWAN

Radio Questions Mainland Motives, Threats	V	1
Taiwan Views Beijing's Latest Peace Offensive	V	2
Military Prepares for Threatened Invasion	V	2
Mainland Scientist Defector To Meet Press Soon	V	3

HONG KONG MEDIA ON CHINA

Further on Basic Law Drafting Committee [SOUTH CHINA MORNING POST 12 Jun]	W	1
--	---	---

GENEVA ARMS TALKS FOCUS ON DEFENSE, 'STAR WARS'

OW120830 Beijing XINHUA in English 0644 GMT 12 Jun 85

[Text] Geneva, June 11 (XINHUA) -- U.S. and Soviet negotiating groups on defense and space systems met for about three and a half hours at the Soviet mission here today. Neither side disclosed details on the talks except a brief announcement on the meeting.

The meeting was the second session devoted to space arms, the most contentious issue at the Geneva talks.

Moscow has maintained from the outset that any progress at the talks is dependent on President Reagan abandoning his Strategic Defense Initiative (SDI). Washington has said the project is not negotiable.

The talks in Geneva follow a pattern of space groups meeting on Tuesdays, separate groups on strategic long-range weapons on Wednesdays and groups on medium-range nuclear forces on Thursdays.

The second round began May 30 and is expected to run until mid-July.

USSR'S TOLKUNOV DENOUNCES U.S. STAR WARS PLAN

OW120902 Beijing XINHUA in English 0813 GMT 12 Jun 85

[Text] Helsinki, June 11 (XINHUA) -- The visiting Chairman of the Soviet of the Union of the Supreme Soviet of the USSR Lev Tolkunov, in a speech at Helsinki's Paasikivi Institute here this afternoon, denounced the United States for its "star wars" plan.

The United States' intention of drawing Western Europe into participating in the plan would undermine European security, thus turning Europe into a nuclear theater, he warned.

On the Geneva disarmament negotiations, Tolkunov charged that the United States wants to use the negotiations as a cover for its continued expansion of the arms race to outer space. The Geneva negotiations must reach both an agreement on space weapons and on medium-range nuclear weapons, or the situation will be hard to control, he said.

Vice Director of the U.S. Arms Control and Disarmament Agency David Emery also spoke at the institute and charged that the unreasonable stance of the Soviet Union was stalling the Geneva talks. Soviet proposals at Geneva were deemed unacceptable, he said, because in terms of numbers of weapons, they would put the United States in an unfavorable position. He noted that the United States did not expect to obtain rapid results from the negotiations.

XINHUA SAYS SALT II REMAINS 'SEMI-PARALYZED'

OW130836 Beijing XINHUA in English 0811 GMT 13 Jun 85

["News Analysis: Fate of SALT II (by Tang Xiushan)" -- XINHUA headline]

[Text] Moscow, June 13 (XINHUA) -- U.S. President Ronald Reagan put an end Monday to a recent minor "crisis" affecting the fate of the Soviet-U.S. SALT II accord by announcing Washington's conditional intention to continue to respect that unratified treaty.

However, the second Strategic Arms Limitation Treaty (SALT II) remains in a "semi-paralyzed" state. It in fact cannot bind either Washington or Moscow hand and foot in further developing strategic weapons.

SALT II, regarded as "rules" of the Soviet-U.S. strategic arms race, was signed by former Soviet leader Leonid Brezhnev and former U.S. President Jimmy Carter in Vienna six years ago. Up to now neither the United States nor the Soviet Union has announced a decision to abandon the treaty although it was never ratified by the U.S. Congress. So this accord is in certain extent still binding on the two sides in their strategic arms build-up drives.

However, the continued survival of this treaty was called in question recently because of the sharp controversy within the Reagan administration over the U.S. approach to SALT II. Some of the senior advisers to the President strongly opposed the reaffirmation of the treaty for repeated Soviet violations and other considerations. Some others recommended the President not to abandon SALT II in the hope of saving U.S.-Soviet relations and their arms talks in Geneva. Meanwhile, Washington's West European allies also urged the Americans to continued to live up to this Soviet-U.S. accord.

Moscow, of course, wants to see SALT II preserved to help deter U.S. military build-up programs. So it was worried about and watched closely the fate of the treaty at this moment of decision-making in Washington.

The Soviet paper PRAVDA charged in an editorial last weekend that Washington was "getting ready to wreck the SALT II Treaty, which has up to now served as a threshold containing the escalation of rivalry in strategic armaments."

"If the U.S. Administration steps over that threshold, it will incur grave responsibility for all the consequences of this step," PRAVDA warned.

Under such a circumstance, Reagan did not forget to remind Moscow in his statement that Washington will adhere to SALT II only "to the extent that the Soviet Union exercises comparable restraint and provided that the Soviet Union actively pursues arms reduction agreements in the currently ongoing nuclear and space talks in Geneva."

The U.S. President also warned the Kremlin that his country reserves the right to respond to any Soviet violations of the treaty and to "provide incentives to the Soviets to correct their noncompliance."

Reagan's statement was not greeted by a "welcome" from Kremlin. Instead, Moscow accused the U.S. promise as an attempt to divert the world attention from Washington's inactive attitude at the Geneva arms control talks.

Observers cannot guess whether the Kremlin was relieved to some degree to hear the news. Moscow just pointed out that the sincerity of Reagan's statement must stand the test of time.

PRC, UK PRESENT HONG KONG DECLARATION TO UN

OW130720 Beijing XINHUA in English 0655 GMT 13 Jun 85

[Text] United Nations, June 12 (XINHUA) -- China and the United Kingdom today presented copies of the "joint declaration on the question of Hong Kong" to the U.N. Secretariat for registration, as required by the U.N. Charter.

Under Article 102 of the Charter, "Every treaty and every international agreement entered into by any member of the United Nations...shall as soon as possible be registered with the Secretariat and published by it."

Presenting the documents on behalf of their governments were Chinese permanent representative to the U.N. Ambassador Ling Qing and British permanent representative to the U.N. Sir John Thompson. Ambassador Huang Jiahua, China's deputy permanent representative to the U.N., was also present.

Receiving the documents on behalf of the United Nations, Under Secretary-General and legal counsel Carla August Fleischhauer said: "The fact that your two countries, both permanent members of the Security Council, were able to reach an agreement on such an important matter sets an example for the entire community of states and is a sign of hope." After the ceremony, the British ambassador said to his Chinese counterpart that it was "a matter of congratulations for all of us."

PRC'S ZHU RONG URGES MORE AID FOR AFRICA

OW110809 Beijing XINHUA in English 0728 GMT 11 Jun 85

[Text] Paris, June 10 (XINHUA) -- Zhu Rong, Chinese vice-minister of agriculture, animal husbandry and fishery said here today that with international economic relations growing increasingly closer, the food problem in Africa is no longer one that concerns Africa alone. Addressing the 11th Ministerial Session of the World Food Council, Zhu, the head of the Chinese delegation, said that the stability and prosperity of Africa's economy will benefit global economic growth, as well as world peace and the progress of mankind.

He pointed out that "famine in the regions south of the Sahara has not only destroyed or endangered the lives of millions, but will also have grave consequences for the economic and social development of many African countries." While stressing the necessity of providing emergency relief to African countries, Zhu said even more important is to help disaster-stricken countries and peoples increase their self-reliance in food production, and to provide funds and technology for long-term development projects.

He said the policies of trade protectionism, high interest loans and reduced aid practiced by certain developed countries have gravely weakened African countries' investment capabilities to maintain and expand agricultural production.

On the issue of South-South cooperation, Zhu Rong said the Chinese Government believes that economic and technical cooperation among developing countries plays an undeniable role in assisting implementation of their food policies. He reiterated that the Chinese Government will be happy to host a seminar on agricultural policies for Asia and Africa in 1986 because this is "a significant example of South-South cooperation in the field of food and agriculture."

Zhu stressed that although the international community bears responsibility in helping the African countries overcome their difficulties in food production, "it is for the African countries themselves to decide on the ways and means to address their food problems." He went on that the key factor deciding whether or not the national food strategy achieves the desired results, is the relevance of this strategy and of concerned policies and principles to the objective situation of the country.

Since the political and economic situation, both domestic and international, often changes, he said "continual adjustments" must be allowed in the course of implementation of each country's food strategy. The head of the Chinese delegation also outlined some of the achievements China has scored in its economic reforms in the countryside.

RENMIN RIBAO ON DULLES' 'RIDICULOUS' PREDICTIONS

HK130827 Beijing RENMIN RIBAO in Chinese 11 Jun 85 p 7

["International Jottings" by Chen Feng: "It Is More Than a Joke"]

[Text] According to some recently published declassified U.S. Government documents, John Foster Dulles, secretary of state in the early 1950's, once said at a Cabinet meeting in 1954 that Japan's industrial products had "no future" in the United States. Therefore, Japan should try to explore markets only in the "regions that are yet underdeveloped."

Dulles also told the U.S. ambassador to Japan at that time that Japan should not expect to sell its goods to the United States "because the Japanese do not produce the things that we need." It is said that Dulles' remark represented the views of U.S. Government officials at that time.

Dulles' prediction has already been shattered by facts. Besides exploiting markets in the underdeveloped regions for its manufactured goods, Japan's vehicles, electronic products, and electric appliances now flow steadily to the U.S. market. Moreover, it seems that the United States cannot withstand the trend. In recent years, there has been a succession of deficits in U.S. trade with Japan. In April 1985 alone, the unfavorable U.S. balance of trade with Japan reached \$4 billion. Its trade deficit for the whole of 1984 was \$36.8 billion. As the United States has suffered severely from the flow of Japanese goods, it has strongly demanded that Japan alleviate its pressure.

Proceeding from his stubborn position, Dulles made a series of predictions that ran counter to historical development. For example, after the founding of New China, he wildly clamored that China had no future. Facts have again given him a slap. Naturally, Dulles passed away long ago and cannot see how historical facts have mocked his shortsightedness. According to THE WASHINGTON POST, Reischauer, U.S. ambassador to Japan in the 1960's, expressed his view on the matter: "It is simply ridiculous when we recall this event today."

The outdated official documents published by the U.S. Government can enable people to understand the views and positions of some deceased policy decision-makers, some of which are ridiculous. However, besides making people laugh, they can at least warn some successors not to do such ridiculous things again.

HU YAOBANG GREETES VISITING NAGASAKI DELEGATION

OW121453 Beijing XINHUA in English 1440 GMT 12 Jun 85

[Text] Beijing, June 12 (XINHUA) -- Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, met a delegation from Japan's Nagasaki Prefecture led by Governor Isamu Takada here today.

The delegation was formed especially for the occasion of the opening of the Chinese consulate-general in the prefecture on May 4. Its members include Kazuo Torajima, president of the prefectural assembly, Mayor of Nagasaki city Hitoshi Motojima and Motonori Ikemoto, vice-president of the prefectural assembly.

Hu warmly greeted the visitors and posed for a group photograph with them. He extended his welcome to Takada on his eleventh visit to China and said he was happy to meet him for the third time.

Takada said that the friendly ties between China and Japan have been strengthened since the opening of the air service between Nagasaki and Shanghai five years ago; the establishment of the Chinese consulate-general in the prefecture would further contribute to this, he added.

Hu expressed his gratitude to the government and assembly of the prefecture for their contributions to Sino-Japanese friendship.

Mayor Hitoshi told Hu that a conference of city mayors for world peace and unity would be held in Hiroshima and Nagasaki this August in commemoration of the end of the Second World War in 1945, and 56 mayors from various countries including five from China would attend. Hu expressed his support for the conference.

Also present on the occasion were Han Kehua, director-general of the Chinese National Tourism Administration; Qi Huaiyuan, assistant foreign minister; and Yosuke Nakae, Japanese ambassador to China.

EDUCATION MINISTER FETES DPRK COUNTERPART

OW121229 Beijing XINHUA Domestic Service in Chinese 1507 GMT 11 Jun 85

[Text] Beijing, 11 Jun (XINHUA) -- Minister of Education He Dongchang gave a banquet for a visiting Korean education delegation tonight. The delegation was headed by Choe Tai-pok chairman of the Education Committee and minister of higher education of the State Administration Council of the DPRK. Before and during the banquet, the host and the guests had a cordial and friendly conversation on how to expand educational exchanges and cooperation between the two countries.

The Korean education delegation arrived in Beijing today in a visit at the invitation of the Chinese Ministry of Education. During their stay in China, the Korean guests will visit our institutions of higher education, such as Beijing University, Qinghua University, Zhejiang University, and Shanghai's Jiaotong University.

Korean Ambassador to China Sin In-ha attended tonight's banquet on invitation. Chinese Vice Minister of Education Peng Peiyun was present to help entertain the guests.

DENG XIAOPING HONORS YUNNAN BORDER TROOPS

OW121358 Beijing XINHUA in English 1223 GMT 12 Jun 85

[Text] Beijing, June 12 (XINHUA) -- The Central Military Commission has issued a citation commending all officers and men taking part in the self-defense counter-attacks against Vietnamese invaders in the border area of Laoshan, Yunnan Province. The invaders who occupied Laoshan were wiped out at the end of April of 1984.

The citation, signed by Commission Chairman Deng Xiaoping, says Chinese officers and men aided by local governments and people fought heroically and repulsed repeated attacks by Vietnamese troops.

It says: "You have won a great victory at a small cost, successfully fulfilled fighting tasks and enhanced combat capabilities. You have safeguarded national honor with your lives and blood and defended our country's modernization endeavor."

The citation notes that the heroic deeds performed by Chinese soldiers are highly praised by all Chinese people and greatly encourage the whole party, Army and people in socialist construction.

It calls on them to be modest and prudent, conscientiously summarize experience and intensify military training to make fresh contributions to building and defending the motherland.

MARCOS JR, PHILIPPINE OFFICIALS INTERVIEWED

HK130829 Beijing International Service in Tagalog 1130 GMT 12 Jun 85

[Text] Philippine Ambassador to China Fortunato Abat at 1200 today gave a reception at the International Club in Beijing in commemoration of his country's independence day. Attending the reception were China's Deputy Foreign Affairs Minister Liu Shuqing and Animal Husbandry Minister He Kang, as well as Governor Ferdinand Marcos Jr, who was representing President and Mrs Marcos. The diplomatic corps in Beijing was also represented at the affair.

Yesterday the vice chairman of the All-China Journalists Association gave a tea party for Governor Marcos and his party. In his speech, Vice Chairman Wang Yi spoke of China's traditional friendship with the Philippines. Governor Marcos responded by saying that China's achievements and record of friendship with Third World countries are most admirable. He cited the accords between his country and China in the fields of trade, science, technology, culture, and sports, adding that the bridge of friendship between the two countries has opened the way for true comradeship and cooperation between governments of differing systems and ideologies. Members of the staff of the XINHUA NEWS AGENCY, RENMIN RIBAO, the CHINA DAILY, and the Ministry of Radio and Television were also present.

During the tea party our correspondent Loli Chi spoke with Governor Marcos on his impressions of China:

[Been recording] [Marcos] My talks with the Chinese leaders have been most fruitful. China is a true friend to our country.

I. 13 Jun 85

E 2

PRC INTERNATIONAL AFFAIRS
SOUTHEAST ASIA & PACIFIC

[Li] Would you please greet our listeners with a message?

[Marcos] Where do you broadcast to?

[Li] To the Philippines; we have a nightly broadcast.

[Marcos] Can we hear it in the Philippines?

[Li] Yes.

[Marcos] Of course, I hear you occasionally.

[Li] Is the reception clear?

[Marcos] It is very good. We get a lot of news about China. So, to the listeners in the Philippines, I would like to say I will soon be returning home. I am in China at present and all the good things I have seen make me wish more of our people could come to visit. The modernization program here is most impressive; things have really changed. People are even thinking in a new way about their ideology. I last came in 1974 and I notice all the fine changes. Beijing is more modern now, but the thing that strikes me most is the people's attitude. They are behaving differently. In the past they were more regimented, marching from one place to another. But now they look more relaxed and can be seen strolling about. Things are different here now -- the Philippines can learn much from China.

[Li] We are asking the governor of Tawitawi, Nur Jaafar, about his impressions of China.

[Jaafar -- in English] The city of Beijing is really a very big city, an ancient city. I consider the People's Republic really a great nation from which we Filipinos must learn, from their successes, also their mistakes, in order to help develop our country.

[Li] This is the member of parliament from Nueva Ecija, Manuel Ocampo.

[Ocampo] What we have noticed in our visit here to Beijing is the many changes, especially in the people, the laws, and the officials. The people are given more responsibility now, so this has resulted in new perceptions concerning government. People here lead simple, well-ordered lives and we notice many new buildings and changes in the agriculture. We are truly amazed at what we see and hope we can learn from you.

[Li] Also in the party is Gregg Araneta III:

[Araneta] Good afternoon. We are here in Beijing and enjoying the kind hospitality shown us. It is just like Philippine hospitality.

[Li] What are your impressions of China?

[Araneta] Since this is my first time here, I cannot make comparisons like my brother-in-law, Governor Marcos, who was here 10 years ago. But from all I see, the people are very industrious and disciplined. You notice along the streets that all the people are involved in their chores. I have not seen people here loitering in the streets, like we see at home.

I. 13 Jun 85

E 3

PRC INTERNATIONAL AFFAIRS
SOUTHEAST ASIA & PACIFIC

[Li] The party later went to visit the Great Wall and the Ming Tombs. In the evening Chinese Vice Minister of Foreign Affairs Liu Shuqing gave a Peking duck dinner for Governor Marcos and his delegation.

In Guangzhou tonight the resident ballet company of the Cultural Center of the Philippines, Ballet Philippines, gave a premiere of their works. The audience of more than 1,000 people were generous with their applause. [end recording]

Meets Officials, Tours Area

OW121330 Beijing XINHUA in English 1243 GMT 12 Jun 85

[Text] Beijing, June 12 (XINHUA) -- He Kang, Chinese minister of agriculture, animal husbandry and fisheries this morning met the local officials delegation from the Philippines led by Ferdinand Marcos Junior, representative of President and Madame Marcos and governor of Ilocos Norte Province.

Minister He gave a brief account of the development of Chinese agriculture to the Philippine guests and also took them on a tour of an agricultural exhibition.

Wang Wenzhe, vice-minister of light industry, met the delegation this afternoon.

Earlier today Marcos Junior attended the flag-raising ceremony at the Philippine Embassy in China marking the Independence Day of the Republic of the Philippines, and hoisted a flag himself. He also attended a reception given by Fortunato U. Abat. The Philippine ambassador to China.

PHILIPPINES' LAUREL CHOSEN OPPOSITION CANDIDATE

OW121735 Beijing XINHUA in English 1649 GMT 12 Jun 85

[Text] Manila, June 12 (XINHUA) -- Former Senator Salvador H. Laurel was unanimously nominated as presidential candidate by the Philippines; major opposition party, the United Nationalist Democratic Organization (UNIDO), at its national conference today.

The conference, held in Cubao, Quezon City, Metro Manila, was attended by 2,540 voting delegates and more than 10,000 grassroots leaders from all over the country. Laurel claimed it to be the biggest opposition political gathering to date.

Accepting the nomination, Laurel, who is president of UNIDO, vowed to use only peaceful means in his quest for the top position of the country.

S.H. Laurel, 57, is son of the late Philippine President Jose P. He and his younger brother Jose B. Laurel, Jr., minority floor leader and former Speaker of the House of Representatives, led UNIDO in winning nearly 50 seats in last year's Parliament elections and made it the biggest opposition organization in Parliament.

The late Senator Benigno S. Aquino Jr. was UNIDO's vice president for external affairs until his assassination on Aug. 21, 1983.

MANILA DEMONSTRATORS PROTEST U.S. INTERVENTION

OW121944 Beijing XINHUA in English 1805 GMT 12 Jun 95

[Text] Manila, June 12 (XINHUA) -- Some 25,000 demonstrators held a protesting rally here this afternoon while a government-organized Independence Day parade was going on. After the rally, the demonstrators decided to march to the U.S. Embassy to deliver a resolution of grievances to the U.S. Government, the PHILIPPINE NEWS AGENCY reported.

The resolution cited American intervention in Philippine affairs, terrorism and repression in the country and called for dismantling of the two U.S. military bases in the country. However, the demonstrators were stopped on the way by anti-riot contingents.

After a dialogue between the march leaders and the police, both sides agreed that four leaders of the demonstration would deliver the resolution to the U.S. Embassy. The demonstrators dispersed voluntarily later. The rally and the demonstration were reportedly organized by some militant opposition groups.

HU YAOBANG, HU QILI MEET AUSTRALIAN MINISTER

OW121347 Beijing XINHUA in English 1337 GMT 12 Jun 85

[Text] Beijing, June 12 (XINHUA) -- Hu Yaobang, general secretary, and Hu Qili, member of the Secretariat, of the Chinese Communist Party Central Committee, this afternoon met Senator John Button, Australian minister of industry, commerce and technology, and Mrs. Button.

During their visit to Australia last April, the Chinese party leaders were accompanied by Senator Button and were especially pleased to meet him again in Beijing.

Button conveyed Australian Prime Minister Robert Hawke's regards to Hu Yaobang. Hu invited Hawke to pay a visit to China whenever convenient.

Hu Qili briefed the Australian guests on China's current situation. He especially emphasized the importance of training qualified personnel and the exploitation of raw materials for China's future development. He welcomed cooperation in these fields between China and Australia.

Present were Zhu Qizhen, vice minister of foreign affairs; Wang Pinqing, deputy to the minister of foreign economic relations and trade; and Australian Ambassador Dennis W. Argall.

Button arrived in Beijing June 9 and had wide-ranging discussions with Chinese departments on cooperation between the two countries.

INDIA TO SET UP COMMITTEE FOR PRC TRADE

OW061935 Beijing XINHUA in English 1846 GMT 6 Jun 85

[Text] New Delhi, June 6 (XINHUA) -- A high level committee would be set up to formulate a concrete plan of action for expanding and diversifying trade with China, minister of state for commerce A. P. Sangma said here today.

Inaugurating a meeting on "Indo-China trade", Sangma said India also considers to sponsor a ministerial delegation to China shortly for studying the possibilities strengthen trade and economic ties with Beijing.

Recently some Indian industrialists and businessmen have visited China. They found that there are a lot of economic fields in which the two countries can cooperate. China's economic policy and rapid development programs provide good chances for New Delhi to strengthen its trade link with Beijing. They said that China would welcome India's technology and commodities suitable for it.

Sangma had met with some industrialists and businessmen who returned from their China tours. The minister said the high level committee would be asked to submit its report within a month.

ZHOU GUCHENG MEETS INDIAN PARLIAMENTARIANS

OW102215 Beijing XINHUA in English 1627 GMT 10 Jun 85

[Text] Shanghai, June 10 (XINHUA) -- Zhou Gucheng, vice-chairman of China's National People's Congress Standing Committee, met and had a cordial talk with a delegation from the Association of the Indian Parliamentarians on population and development here today.

PRC TO PROVIDE RELIEF AID TO BANGLADESH

OW111941 Beijing XINHUA in English 1506 GMT 11 Jun 85

[Text] Beijing, June 11 (XINHUA) -- The Chinese Government has decided to provide Bangladesh with 500,000 U.S. dollars in relief aid following the recent cyclone and tidal wave disaster there.

On June 4, Chinese charge d'affaires ad interim to Bangladesh, Wang Chengshu, presented the aid note to the Bangladesh foreign secretary.

Prior to this, the Chinese Red Cross Society had contributed 50,000 U.S. dollars to the Bangladesh Red Crescent.

ZHAO ZIYANG, DELEGATION CONTINUE VISIT TO FRG

Zhao Invites Students to PRC

OW121333 Beijing XINHUA in English 1131 GMT 12 Jun 85

[Text] Bonn, June 12 (XINHUA) -- Chinese Premier Zhao Ziyang today extended an invitation to the University of Bonn to send 20 students majoring in Chinese to visit China sometime next year.

Visiting the university this morning, Zhao expressed the belief that the students now studying Chinese at the university will become excellent Sinologists and contribute to the mutual understanding and friendship between the Chinese and Federal German people.

In his welcoming speech, University Rector Franz Boeckle said he is very pleased at his country's increased cooperation with China. More and more Germans, young people in particular, are showing growing interest in China, he said.

Dr. Rolf Trauzettel of the university's sinology institute gave a brief account in Chinese to the premier about the institute. Then, Premier Zhao was shown some of the institute's books about China.

The Chinese premier presented the university 850 kinds of books totalling 3,000 copies as part of the effort to foster cultural exchange between China and Federal Germany.

Twenty-five Chinese students are now studying or engaged in research work at the 67-year-old university while six Federal German students of the university are now studying in China.

Antje Gerhardt, a female student of the sinology institute, told XINHUA that she and five other Federal German students will go to study in China this fall. "I am looking forward to my stay in China," she said.

Zhao Meets Party Leaders

OW121950 Beijing XINHUA in English 1941 GMT 12 Jun 85

[Text] Bonn, June 12 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang today met with leaders of two Federal German parties on separate occasions and discussed with them issues of common concern.

At a meeting with Martin Bangemann, chairman of the Free Democratic Party, Premier Zhao expressed appreciation for his party's contributions to furthering the friendly relations between China and Federal Germany. They exchanged views on economic and technological cooperation between the two countries, particularly cooperation between small and medium-size enterprises as well as cooperation between Chinese provinces and Federal German lands.

The Chinese premier also had a cordial and friendly conversation with Jutta Dittfurt, a spokesman for the Green Party which is a new political force in Federal German parliament. In the meeting both sides agreed that they have much in common concerning the question of peace.

Vice-Premier Tian Jiyun, State Councillor and Foreign Minister Wu Xueqian, Vice Foreign Minister Zhou Nan and Chinese Ambassador to Federal Germany Guo Fengmin were present on both occasions.

Earlier, Vice-Premier Tian Jiyun met with Federal Minister of Economics Martin Bangemann and exchanged views with him on how to further improve economic and technological cooperation between the two countries.

Delegation Welcomed in Hamburg

OW121321 Beijing XINHUA in English 1307 GMT 12 Jun 85

[Text] Hamburg, June 12 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang arrived here this afternoon for a brief visit to Federal Germany's biggest city.

Zhao, together with Vice-Premier Tian Jiyun and State Councillor and Foreign Minister Wu Xueqian, was met at the airport by Klaus von Dohnanyi, the mayor of Hamburg. Chinese council-general, Wang Yenyi, in Hamburg also was present.

Zhao was welcomed by dozens of representatives of the local Chinese community and Chinese students studying here. Two girls presented flowers to the Chinese premier.

During a prior four-day visit to Bonn, Zhao took side trips to Rhineland-Palatinate and North Rhine-Westphalia. His nine-day swing across the country will also take him to Lower Saxony, Bavaria and Baden-Wuerttemberg.

Hamburg Mayor Fetes Zhao

OW122235 Beijing XINHUA in English 1223 GMT 12 Jun 85

[Text] Hamburg, June 12 (XINHUA) -- Hamburg and the Chinese city of Shanghai will soon sign a cooperation agreement to facilitate their exchanges in the fields of economy and culture, Hamburg Mayor Klaus von Dohnanyi declared here tonight.

Hamburg, the biggest industrial and port city of Federal Germany, is ready to contribute its share in helping China achieve its economic goals, he said.

Proposing a toast at a dinner he gave in honor of Chinese Premier Zhao Ziyang, he noted that apart from its political ties with Chinese provinces and cities, Hamburg is increasing its economic and cultural exchanges with them.

In reply, Premier Zhao praised Hamburg for its contribution to the promotion of the friendly relations between China and Federal Germany by taking the lead in establishing contacts with Chinese enterprises. He expressed the belief that contacts and cooperation between Hamburg business circles and Chinese enterprises will also increase.

The dinner proceeded in an amicable atmosphere. Guests and hosts chatted with each other while the band was playing music by famous composers including Bach, Haydn and Mozart.

Zhao Inspects Airbus

OW121924 Beijing XINHUA in English 1908 GMT 12 Jun 85

[Text] Hamburg, June 12 (XINHUA) -- Chinese Premier Zhao Ziyang this afternoon was handed a key to one of the first Airbus aircraft 310-200, made by the MBB Transport Aircraft Group for China, in token of its deliver. At the Hamburg plant, Hartmut Mehdorn, president of Messerschmitt-Boelkow-Blohm company (M.B.B.) presented the premier with an Airbus 310 model in the colours of the Chinese airline CAAC.

After seeing an exhibition of the Airbus program, Zhao opened the pilot's cabin of the second Airbus aircraft to be sent to China later this month. He sat in the pilot's seat for a while and inspected the interior of the plane.

When asked what he thought of the Airbus 310, the smiling premier said: "We wouldn't have bought it if we were not satisfied." According to the M.B.B., China has ordered three Airbus 310-200, which will be in service starting the end of June on domestic routes.

Comments on Western Influence

OW121954 Beijing XINHUA in English 1937 GMT 12 Jun 85

[Text] Hamburg, June 12 (XINHUA) -- In opening to the outside world, China will keep its fine cultural tradition dating back thousands of years, said Chinese premier here today.

Premier Zhao Ziyang was touring the Hamburg harbor aboard the yacht Hans Albors when he was asked by a Federal German TV reporter how to deal with certain unhealthy influence of Western culture finding its way into China.

"We believe in people's consciousness to counteract these influences," the premier said.

In response to another question on his impression during the visit Zhao said that he was impressed with the country's developed industry and advanced technology as well as its beautiful scenery.

The people here are "very friendly" to China he said.

The Chinese premier was accompanied by Hamburg Mayor Klaus von Dohnanyi and other officials.

Premier Zhao touring in drizzle showed great interest in the Hamburg harbor which has close contacts with China. Harbor sources said 80 percent of Federal Germany's exports to China and 75 percent of China's imports to Federal Germany are handled at the harbor.

PRC ENVOY ATTENDS UK SOCIETY'S ANNIVERSARY FETE

OW090222 Beijing XINHUA in English 0212 GMT 9 Jun 85

[Text] London, June 8 (XINHUA) -- The British Society for Anglo-Chinese Understanding (SACU), a non-official organization founded in 1965, celebrated its 20th anniversary at a reception here this evening.

Chinese Ambassador to Britain Hu Dingyi attended the reception and warmly congratulated SACU for its 20 years of efforts in promoting Anglo-Chinese friendship.

Dr Joseph Needham, a world-famous scientist who has been SACU's honorary president since its establishment, made an emotional speech at the reception. He said he had resigned with reluctance his position as SACU president because of his age, but he would remain with SACU forever.

He wished SACU new success under its new president, Lord Asa Briggs, chancellor of Britain's Open University who was elected at the SACU annual general meeting earlier today.

In his address, Lord Briggs extended heartfelt thanks to Dr Needham for his outstanding work with SACU and expressed great pleasure at being elected SACU president at its 20th anniversary.

It was announced that Jim Pennington, an old friend of China, was reelected SACU chairman at its annual meeting this afternoon.

UK SOCCER TEAM PULLS OUT OF PRC TOURNAMENT

OW121234 Beijing XINHUA in English 1211 GMT 12 Jun 85

[Text] Beijing, June 12 (XINHUA) -- Former First Division English soccer club Sunderland has pulled out of its scheduled appearance in the 1985 Great Wall Cup international soccer championships scheduled for June 16-25, the tournament organizing committee announced this week.

The announcement was made Monday at a meeting held by the organizers. The committee said it had been informed by the English soccer federation that for some "unforeseen reason," Sunderland would not be taking part in the Great Wall Cup.

According to the committee, Sunderland had decided not to play in the tournament in advance of the May 29 riot in Brussels, which resulted in English soccer clubs being banned from playing outside of Britain.

Sunderland was relegated to Second Division in the English soccer league at the end of this season because its record was one of the three worst in the First Division.

The Chinese national youth team will replace Sunderland in the tournament. Rounding out the competitors will be Japan's national student team, the Pyongyang team from the Democratic People's Republic of Korea, a team from the Romanian First Division, the Liaoning provincial team, the national "B" team, the Shanghai city team and Beijing team.

Preliminary rounds will be played in the city of Dalian in Liaoning Province, and in Shanghai. The semi-final and final rounds will be played in Beijing.

At Monday's meeting, Chen Jialiang, vice director of the organizing committee said: "This cup strictly demands that the Chinese players respect the referees, their rivals and the spectators. They are not only required to make every effort to win the cup but also to be polite and friendly.

The committee said it hoped that the fans in Dalian, Shanghai and Beijing would carry on the tradition of good manners and put an end to rude conduct such as throwing things on to the field, booing or stamping during the matches.

NPC GROUP LEAVES FOR SWITZERLAND, LUXEMBOURG

OW120344 Beijing XINHUA in English 0732 GMT 12 Jun 85

[Text] Beijing, June 12 (XINHUA) -- A delegation of China's National People's Congress (NPC) led by Vice-Chairman of its Standing Committee Liao Hansheng left here this morning for a friendship visit to Switzerland and Luxembourg.

Liao told XINHUA at the airport that the visit was aimed at promoting friendship and understanding between congressional organizations as well as peoples of the three countries.

The delegation was invited by the National Council of the Swiss Confederation and the Chamber of Deputies of the Grand Duchy of Luxembourg. Its deputy head is Song Yiping, a Standing Committee member of the NPC.

The delegation was seen off today by Vice-Chairman of the NPC Standing Committee Bianqen Erdini Qoigyi Gyaincain, Vice-Minister of Foreign Affairs Qian Qichen, Swiss Ambassador to China Hans Mueller and Luxembourg Ambassador to China Carlo Ketter.

CZECHOSLOVAK VICE PREMIER POTAC CONCLUDES VISIT

Minutes of Economic Talks Signed

OW111321 Beijing XINHUA in English 1253 GMT 11 Jun 85

[Text] Beijing, June 11 (XINHUA) -- Song Ping, Chinese state councillor and minister in charge of the State Planning Commission, and Svatopluk Potac, Czechoslovak vice-premier and chairman of the Planning Commission, signed here today a document summarizing the talks they had held.

Present at the ceremony for signing the minutes of talks were Chen Xian, Chinese vice-minister of the State Planning Commission, and Wang Pinqing, deputy to the minister of foreign economic relations and trade, as well as Czechoslovak Minister of Foreign Trade Bohumil Urban and Czechoslovak Ambassador to China Zdenek Cheben.

Leaves for Home

OW120820 Beijing XINHUA in English 0806 GMT 12 Jun 85

[Text] Beijing, June 12 (XINHUA) -- Svatopluk Potac, Czechoslovak vice-premier and chairman of the Planning Commission, and Mrs. Potac and their party left here for home by special plane this morning at the end of their nine-day friendly visit to China.

Seeing them off at the airport were Song Ping, state councillor and minister in charge of the State Planning Commission, and leading members of departments concerned as well as Czechoslovak Ambassador to China Zdenek Cheben.

During their stay in China Mr. and Mrs. Potac visited Beijing, Hangzhou, Shanghai and Shenyang. While in Beijing Song Ping and Potac signed a summary of talks under which the two sides agreed to continue to explore trade possibilities and further economic cooperation.

PRC MACHINE-BUILDING MINISTER VISITS EASTERN EUROPE

Concludes Visit to Hungary

OW091336 Beijing XINHUA in English 1323 GMT 9 Jun 85

[Text] Budapest, June 9 (XINHUA) -- The Chinese delegation headed by Zhou Jiannan, minister of machine-building industry, ended a seven-day visit to Hungary and left here yesterday.

As the co-chairman of the Chinese Hungarian Economic, Commercial and Technical and Scientific Cooperation Commission, Zhou held the first session of the mixed commission with his Hungarian counterpart Istvan Hetenyi, Hungarian co-chairman and minister of finance on bilateral cooperation.

The two sides signed a protocol during the first session. Hungarian Premier Gyorgy Lazar and Vice Premier Jozsef Marjai and Laszlo Ballai, head of the economic policy department of the HSWP [Hungarian Socialist Workers Party] Central Committee, met Zhou and his party.

Zhou also held talks with Hungarian Minister of Agriculture and Food Jeno Vancsa during his visit.

Meets GDR's Krolkowski

OW120838 Beijing XINHUA in English 0708 GMT 12 Jun 85

[Text] Berlin, June 11 (XINHUA) -- China and the German Democratic Republic are expecting more opportunities for bilateral trade from 1986 to the end of the decade.

This was stated during a meeting here today between GDR First Deputy Premier Werner Krolkowski and Chinese Minister of the Machine-Building Industry Zhou Jiannan, who arrived here on June 8 for a four-day visit.

Both sides in their talks hoped to reinforce cooperation in the fields of economy, science and technology, especially in the key areas of machinery engineering.

The Chinese minister this morning visited the GDR Umformtechnik forming combine during which he also discussed details of expanding trade and cooperation between China and the GDR with senior GDR officials. He will leave here for Poland tomorrow.

POLAND SATISFIED WITH VICE PREMIER LI PENG'S VISIT

OW120200 Beijing XINHUA in English 0118 GMT 12 Jun 85

[Text] Warsaw, June 11 (XINHUA) -- Poland is satisfied with the recent visit by Chinese Vice-Premier Li Peng and wishes to further strengthen the two countries' cooperation, in the economic sphere in particular.

These remarks were made by Tadeusz Mlynczak, vice president of the Polish Council of State, and Manfred Gorywoda, vice chairman of the Council of Ministers, when they received Chinese Ambassador Wang Jingqin here today.

The Polish side said that the talks between Polish officials and Li Peng are of great importance while Wang expressed the hope to implement as early as possible the proposals on economic cooperation put forward during the talks.

WANG BINGNAN MEETS POLISH INSTITUTE DELEGATION

OW111329 Beijing XINHUA in English 1248 GMT 11 Jun 85

[Text] Beijing, June 11 (XINHUA) -- Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries, met and feted a delegation from the Polish International Affairs Institute led by Janusz Symonides, president of the Polish Council for Societies of Friendship With Foreign Countries, here today.

Present was Zbigniew Dembowski, Polish ambassador to China.

CPC WORKERS DELEGATION LEAVES FOR ROMANIA

OW130718 Beijing XINHUA in English 0706 GMT 13 Jun 85

[Text] Beijing, June 13 (XINHUA) -- A party workers delegation of the Chinese Communist Party left here this morning for a friendship visit to Romania.

The delegation was led by alternate member of the CPC Central Committee Lu Maozeng who is also deputy secretary of the Communist Party committee of Shandong Province.

Seeing them off at the airport were alternate member of the CPC Central Committee and deputy head of the committee's International Liaison Department Li Shuzheng and Romanian Ambassador to China Angelo Miculescu.

PEOPLE'S CONGRESS GROUP MEETS ARGENTINE LEADERS

OW121648 Beijing XINHUA in English 1622 GMT 12 Jun 85

[Text] Buenos Aires, June 11 (XINHUA) -- Argentine leaders today met with a Chinese People's Congress delegation headed by Huang Hua, vice chairman of the Standing Committee of the National People's Congress.

Huang Hua told his hosts that China wants to further develop relations with Argentina and seeks to strengthen ties between the two congresses.

The Argentines who met with the Chinese included Vice President Victor Martinez and President of the Chamber of Deputies Juan Carlos Pugliese.

Martinez said Argentina attaches great importance to studying the present reform in China. He expressed satisfaction with relations and said he hoped China and Argentina will increase trade and technological and cultural exchanges.

The Chinese delegation arrived in Argentina on June 8.

U.S. TRADE EMBARGO AGAINST NICARAGUA ANALYZED

OW111353 Beijing XINHUA Domestic Service in Chinese 1523 GMT 7 Jun 85

["News Analysis" by correspondent Ke Daan: "After the U.S. Embargo" -- XINHUA headline]

[Excerpts] Beijing, 7 Jun (XINHUA) -- In the past month since the United States imposed a trade embargo on Nicaragua, the Nicaraguan Government has unleashed various diplomatic activities to extensively open up markets for its merchandise and has tried its best to lessen the economic losses caused by the embargo. However, its efforts have still not completely offset the negative results created by the trade embargo. After the U.S. trade embargo on Nicaragua took effect on 7 May, Nicaraguan President Ortega, who was visiting Eastern Europe at the time, extended his visit to include Western Europe. He visited 14 countries. Afterwards, Vice President Ramirez visited some other West European countries. During that period, the Nicaraguan Government also sent some high-ranking officials to visit Canada, South America, and Asia. All these visits were aimed at enlisting support from the countries visited, particularly trade and economic support, in order to alleviate the difficulties caused by the U.S. trade embargo.

In general, the visits were fruitful. First of all, the energy supplies most needed by Nicaragua have been basically ensured. Nicaragua requires some 13,000 barrels of oil a day. In the past, oil was supplied by Mexico and Venezuela. However, Venezuela and Mexico suspended their oil supplies one after another because Nicaragua was unable to pay for the oil. Now, the Soviet Union has promised to supply 3.5 million barrels of oil this year. This figure is close to 80 percent of Nicaragua's annual oil needs. Subsequently, Mexico held talks with Nicaragua and promised to supply 320,000 barrels of oil from July to September this year and to supply another 400,000 barrels in the fourth quarter. Thus, the solution of the oil problem has laid a foundation for maintaining Nicaragua's economic life.

Also, the aforementioned countries visited by Nicaraguan leaders have expressed sympathy over Nicaragua's situation. They are willing to give or increase their economic aid to Nicaragua.

As for Nicaragua's trade, its imports are more affected by the trade embargo than its exports. Last year, Nicaragua exported more than \$50 million worth of goods to the United States while importing over \$120 million worth of goods from the United States. owing to historical reasons, most of the machinery, equipment, vehicles and technology now in use in Nicaragua come from the United States. Nicaragua must import most of the parts needed from the United States.

The Nicaraguan Government is now trying to import parts and equipment from U.S. branch companies in other countries. However, it seems this problem is more difficult to solve.

Nicaraguan exports to the United States mainly include bananas, beef, and seafood. Bananas are now being sold to Europe through a Belgian company. However, no specific buyers have been found yet for beef and seafood. It is held that Nicaragua might suffer some financial losses if it tries to sell beef and other products to other countries. However, it should not be too difficult to find buyers.

As for the gains and losses resulting from the U.S. trade embargo, the Latin American news media have made all kinds of analyses. A quite unanimous view is: Within a short period, the embargo might stir up considerable difficulties for Nicaragua, but in the long-term, it will not achieve the expected results. On the long-range effects of the embargo, there are also two views. One is that the embargo will make Nicaragua's international relations and trade markets diversified, thus helping Nicaragua break away from its reliance on one or two nations. The other is that the embargo will force Nicaragua to further side with the Soviet Union. This situation is precisely what the policymakers of the trade embargo would hate to see the most.

ANTIGUA'S BIRD LOOKS FORWARD TO PRC VISIT

OW120931 Beijing XINHUA in English 0911 GMT 12 Jun 85

[Text] St. John's, Antigua, June 11 (XINHUA) -- Antigua and Barbuda's Deputy Prime Minister and Foreign Minister Lester Bird said today that he will seek to further Antigua-Chinese relations during his upcoming visit to China.

In an interview with XINHUA, Bird described the relationship since the establishment of diplomatic relations between the two countries in 1983 as "close, friendly and harmonious." Trade and economic cooperation are among the matters he expects to discuss with Chinese leaders, Bird said.

The deputy prime minister will arrive in China on June 17 for a 11-day visit. He said it is important that he'll discuss "the relationship of a large country which is not involved in the superpower conflict with a small country" like Antigua. Bird pointed out that Antigua and China already "have many common positions" on the world situation and he would discuss with Chinese leaders "the areas and avenues which we can continue to work together."

The deputy prime minister also outlined Antigua's policy on a number of international issues, including arms race, Central America and the upcoming Caricom (the Caribbean Common Market) summit in Barbados. Deploing the continued escalation of the arms race, Bird said that "we have a tremendous responsibility to use our moral persuasion on the two superpowers" to make sure that their arms race is scaling down and not entering into "star wars" which will affect mankind.

Bird said Antigua is "deeply concerned" about the superpower conflict in Central America. "We're supporting the Contadora process," he said, hoping that the peace efforts made by the Contadora countries could bring a successful resolution to the problem.

Stressing that Caricom's survival is essential for regional integration and economic cooperation, Bird expressed the hope that when Caricom heads of government meet next month, they "will seek ways and means of compromising with each other" as economic problems in some member countries are hampering regional trade. "Antigua and Barbuda will do all in its power" to ensure that the Caricom will survive," Bird noted.

JIEFANGJUN BAO EDITORIAL PRAISES TROOP REDUCTION

HK130452 Beijing ZHONGGUO XINWEN SHE in Chinese 0345 GMT 13 Jun 85

["JIEFANGJUN BAO Says the Enlarged Meeting of the Central Military Commission Has Opened a New Page in the History of China's Armed Forces" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 13 Jun (ZHONGGUO XINWEN SHE) -- An editorial published by JIEFANGJUN BAO today says that the recent enlarged meeting of the Central Military Commission "has not only solved the organization and work problems of reforming the structure, streamlining, reorganization, and reducing personnel strength by 1 million, but has also completed in guiding ideology a strategic shift in the building of our Army."

China's PLA has traversed a course of 58 years since the Nanchang Uprising on 1 August 1927. JIEFANGJUN BAO holds that the recent enlarged meeting of the Central Military Commission "has opened a resplendent new chapter in the history of our Armed Forces," and "it could be described as an epoch-making and historic meeting of extremely great significance."

This enlarged meeting of the Central Military Commission has satisfactorily solved two major problems. One is that a major breakthrough has been made in reducing the average age of the high-ranking cadres, and the other is that a good plan has been formulated for reorganization of organs and units.

The editorial says that Central Military Commission Chairman Deng Xiaoping pointed out in his speech at the meeting that the danger of world war exists. Since the two superpowers are currently engaged in an arms race, the factors for war will further develop. However, the people demand peace and oppose war, and the growth of the peace forces in the world will outpace that of the forces for war. It is possible that no major world war will occur for a relatively long time, and there are prospects that world peace can be preserved. Deng Xiaoping's judgment of the international situation and his view on the question of war and peace represent an important basis for our Army's current structural reform, streamlining, and reorganization, and will also play a guiding role in the building of our Army for a long time to come. Scientifically judging the international situation and unifying people's thinking on the correct policy we should adopt represent an historic accomplishment of this meeting.

The editorial says that the enlarged meeting of the Central Military Commission was convened amid the floodtide of reform. The fundamental goal of the structural reform, streamlining, and reorganization discussed and decided on by the meeting is to gradually build our Army into a crack force with excellent organizational structure, flexible command, good equipment and training which is able to respond rapidly and has very high efficiency and very strong combat ability. This meeting decided to closely integrate reducing personnel and "demolishing the temple," harmonizing work relationships, carrying out restructuring, and establishing scientific systems, and to deal with them in a comprehensive way, making reform lead forward streamlining and promote reform. Viewed from this angle, this was a matter of reform which took a major and historic step forward toward the goal of crack troops.

This editorial, entitled "A Historic Meeting," predicts that the enlarged meeting of the Central Military Commission "will have a broad and far-reaching impact on building a modern, regular, revolutionary Army with Chinese characteristics. After a number of years this impact will become still more evident."

PRC 'POISED' TO ACCEPT ORDERS FOR SPACE PRODUCTS

HK130959 Beijing CHINA DAILY in English 13 Jun 85 p 1

[By staff reporter Chen Guanfeng]

[Text] China is poised to accept orders for its space products including satellites, carrier rockets and ground stations, it was announced yesterday.

The Ministry of Space Industry is also ready to provide international services for almost all undertakings from space product design to satellite recovery. The industry claims China is capable of manufacturing and launching space shuttles as well as carrying out space travel programmes.

Many foreign governments, corporations, scientific research institutions and universities are seeking cooperation and help from China, according to Zhang Jiqing, director general of the ministry's Foreign Affairs Bureau. This covers design and manufacture of satellites and carrier rockets, launching of satellites with Chinese carrier rockets, establishing of joint space engineering companies and construction of ground stations. Some firms in Europe and the U.S. have offered to act as commission agents.

China's entry into the international market with its space products and technology reflects the progress of its astronautics industry. "Our astronautics industry is fully-fledged now," Zhang said.

China started its space activities in the late 1950s, and has become one of the world's leading nations for launching satellites by its own carrier rockets and mastering satellite recovery technology and multi-satellite launching technology with one rocket. Some 16 types of earth satellites have been launched, six of them recoverable. Three were launched with one carrier rocket, and others were various kinds of scientific experimental satellites.

"All the satellites were designed and manufactured with our own efforts, and all the instruments, facilities and payloads were made here," Zhang said.

He added that China will not undertake space travel projects for some time for two reasons: They cost too much and yield too few practical benefits, and China has no intention of entering a space race with the superpowers. "We will concentrate our efforts on projects urgently needed for developing the national economy, including launching communications, broadcasting, earth resource survey, meteorology and other scientific experimental satellites," he said. "Some are already under construction and will be launched soon."

Zhang said that after more than 20 years' efforts, China has a comprehensive and independent satellite system. The carrier rocket series has the capability of placing satellites into various high and low orbits. Special science and technology departments are engaged in the research, design, production and test of satellites and launchers and test ranges have the capability of launching different types of satellites.

There is also a ground observation network across the country equipped with computers, telemetry, remote control, data transmission and communication facilities and measuring ships, he said.

Space Trade Fair Held

HK071335 Beijing ZHONGGUO XINWEN SHE in Chinese 9846 GMT 6 Jun 85

[Report by Dai Yaping: "A Glance at China's Space Technology"]

[Text] Beijing, 6 Jun (ZHONGGUO XINWEN SHE) -- Not long ago, the China space technology trade fair was held in China's military museum at Yu Yuantan, Beijing. Many people came to have a look or to discuss trade. At the trade fair, people saw with their own eyes China's great space technological achievements.

Satellites Reflected Light at One Another

In the exhibition hall, four satellites reflected light at one another, which showed the new standard of China's space industry. In 17 years, China has sent 17 satellites into space. China first sent into space the satellite "The East is Red" and the scientific experiment satellites, then the physics experiment satellites, and finally, last year, the experimental communications satellite. According to the Space Ministry, the shape, size, and internal structure of the satellites in the exhibition hall are the same as those of communications satellite launched on 8 April last year. Now their "companion" is moving at longitude 125 degrees east over the equator in space, transmitting some of the television programs, telephone calls, telegrams, and radio-photography in China.

China Has the Technology To Send Human Beings Into Space

China's space industry first began in 1956. In nearly 30 years, China has successfully developed and launched reusable and multiseries [xi lie 4762 0441] carrier rockets and satellites. In the exhibition hall, a photo of a dog called "Little Leopard" attracted a lot of people because the dog had once traveled in a rocket into space. That China had sent animals into space made a lot of people guess when China would send its astronauts into space. An expert on space technology privately told our reporters that China now has the technology to send human beings into space. But, because it will cost a lot of money, the project has not yet been listed in short-term plans.

Transferring Space Technology to Nonmilitary Industry

At the trade fair, although the products on exhibition were mainly products for civilian use, people could still see models and pictures of Chinese-made missiles. In the exhibition hall, models and pictures of coastal defence missiles, ground-to-air missiles, and various kinds of rockets were exhibited. The engines of the various stages of China's giant carrier rocket were also exhibited at the trade fair. At the trade fair, our reporters were lucky to see both the real thing and models of strategic and tactical missiles, means of delivery, and new technologies, such as devices for retrieving satellites, accurate guidance systems, and so on and so forth.

The officials in charge of the trade fair said that while developing the second generation of missiles and various kinds of applications satellites, the Space Ministry is now carrying out nonmilitary production by using fully the available conditions of scientific research and production. At the moment China has already extensively applied satellite remote sensing technology in the field of scientific research and in the economic field, including petroleum prospecting, geological surveying, choosing routes for railway lines, searching for and studying cultural relics, and so on and so forth.

SCIENCE, TECHNOLOGY TRADE FAIR CLOSES 10 JUN

OW102225 Beijing XINHUA in English 1739 GMT 10 Jun 85

[Text] Beijing, June 10 (XINHUA) -- China's first technology trade fair which closed here today has served as a bridge linking enterprises and scientific research units. The fair offered some 20,000 technological research findings, 1,000 technological problems for bidding and new products.

The fair's organizers said today that 4,180 contracts were signed involving a business volume of 2.1 billion yuan, including 13.4 percent of business volume for technology transfer, consulting and training. Also concluded were more than 10,000 agreements and letters of intent, valued at 5.8 billion yuan. The sale of new products came to 170 million yuan. Participating in the fair were 78 delegations from 29 provinces, municipalities and autonomous regions, and 49 government ministries and PLA units. Some delegations had nearly 1,000 members including administrators and scientists, and were headed by provincial governors or mayors.

The fair, which opened on May 15 at the Beijing Exhibition Center, received more than 310,000 visitors from various parts of the country. Premier Zhao Ziyang who toured it on May 29 said that technology market was a good go-between for scientific research and production, turning research achievements into productive force and boosting both production and research. Professor Wang Zeshan and four lecturers of the East China Engineering Institute offered 100 research results at the fair and signed contracts worth 70 million yuan with medium-sized and small enterprises. "The fair served as a window for university teachers and researchers, enabling them to get to know social demands and how to offer their findings as commodities," Professor Wang said.

Of the 400 technological achievements offered by individuals at the fair, 65 were transferred by contracts with a total transaction volume of one million yuan. Ma Da, a 28-year-old researcher at a research institute in Beijing, earned several thousand yuan at the fair by selling four small inventions he had made in his spare time. He said, "the fair provided me a good opportunity to show my research results and spurred me to experiment more in after-work hours."

About 80 percent of the 1,000 technological problems for bidding had already been bid for by interested tenderer, mainly from scientific institutes, universities and colleges. Other activities at the fair included technological consultation, training and exchange of personnel, establishing integrated entities of various forms and contracting for key projects.

Guo Shuyan, president of the fair's board of directors, said the fair helped promote the country's reform of the scientific research system and contributed to the development of nationwide technical markets. For the past three decades, research achievements have been kept aloof from the commodity market and regarded as common property to be shared free of charge. Many research institutes indulged in laboratory work indifferent to social need, and neglected practical application of their research findings. With the deep-going rural and urban economic reforms, many technology development and technological consultation centers have been set up in the country, promoting quicker development of technology markets.

Incomplete statistics show that by last August China had sponsored more than 240 large technology trade fairs and established over 4,000 scientific and technological development centers and technological service companies. In 1984, the volume of transactions at such fairs reached 300 million yuan. The sponsors plan to make the technology fair an annual event and invite business people from abroad to the next fair. Diplomatic envoys and officials of 40 countries, stationed in Beijing, were invited to the fair yesterday evening.

Li Peng Visits Fair

OW100430 Beijing Domestic Service in Mandarin 2230 GMT 7 Jun 85

[Text] Vice Premier Li Peng of the State Council, full of zest, visited the first national technological trade fair on the evening of 7 June. He pointed out: Technology turns into a productive force through the popularization of its application, and it cannot do so without such a process. Li Peng said: The technology market is a good form of popularizing the application of technology.

Although he just returned home from a visit abroad, Comrade Li Peng did not feel in the least tired and talked cheerfully and humorously. He advanced his pertinent views and suggestions on the specifications, varieties, colors, processing, and marketing of commodities.

In addition to showing interest in new advanced, precision, and sophisticated technologies and products, Comrade Li Peng also attentively viewed new technologies and products in food, light, energy, and building industries.

Comrade Li Peng said: After visiting the fair today, I feel that some technologies may not be major, eye-catching ones, but they yield big economic results. Such technologies are best received. The technology market should be held regularly as the Guangzhou trade fair is, and it should be improved every year in order to guide people to develop applied technologies. It has been learned that the board of directors for the first national technological trade fair announced the end of the fair on 7 June and that a closing ceremony for the fair would be held on 10 June.

Commentary Lauds Fair Success

OW121313 Beijing XINHUA Domestic Service in Chinese 0743 GMT 10 Jun 85

[Excerpts] Beijing, 10 Jun (XINHUA) -- Commentary by XINHUA reporter Huang Wei: "'A Special Bridge' -- On the First National Scientific and Technological Achievements Fair."

The first national scientific and technological achievements fair, which lasted 25 days, has just closed. More than 20,000 items of technical achievement were assembled at the fair, which attracted over 200,000 visitors from all over the nation. Some 9,000 contracts and agreements for technology transfers were signed during the fair.

The success of this fair fully shows the correctness of the CPC Central Committee's decision on reforming the science and technology management system, which fits the objective needs of the development of our country's socialist commodity economy. Furthermore, the technology market is a special bridge which links scientific research with production and pushes forward both production and scientific research.

The most notable function of the science and technology fair was to facilitate the popularization and application of scientific and technical achievements and the transfers of science and technology to medium and small enterprises.

The technology market enables research institutes to gain rather big economic benefits, establishes the conditions for the economic independence of many developmental research institutes, and effectively helps promote the reform of the science and technology management system. The fair has been a successful attempt to establish a national technology market. We are convinced that with constant improvements and development, the technology market will play a very important role in pushing forward technical progress and economic development.

RENMIN RIBAO ON RESPECTING FEELINGS OF MASSES

HK130943 Beijing RENMIN RIBAO in Chinese 12 Jun 85 p 1

["Today's Talk" column by Zhing Huai: "The Feelings of the Masses"]

[Text] In the past few days, there have been changes in the supply of vegetables in Beijing: The supply of vegetables has increased and prices have dropped; state-run vegetable shops have begun playing their role in stabilizing and keeping down vegetable prices. The city residents have also voiced fewer complaints.

To tell the truth, earlier on people had a lot of complaints about the vegetable supply. There were few vegetables on the shelves of some state-run shops and the clerks spent their time in idle chatter. There were not many vegetables in the trade centers for farm produce either and their prices were high. People should eat vegetables every day. Faced with the above-mentioned circumstances, it is understandable that people should complain and even grumble. Can we say that people do not approve of the reform? No. Most residents understand the need to relax controls over vegetable prices and they support this major step of the government aimed at invigorating the economy and stimulating production. People are dissatisfied because some units have been so weak in implementing the policy decision of the central authorities, because vegetables are still in short supply after controls over prices have been relaxed, because vegetables from other localities cannot enter the city, because vegetable peddlers have been allowed to sell vegetables at high prices while state-run commerce has been in a state of inertia....

With the intervention and help of the leading central department concerned, the leading body of Beijing Municipality immediately adopted several effective measures, such as opening wide the city gates, and the leading comrades also went to the grass-roots level to conduct investigation and study and to solve problems. The supply of vegetables has gradually taken a turn for the better. The feelings of the residents have also changed and they have fewer complaints and grievances.

The feelings of the masses are by no means a small issue. Expressing one's view by grumbling is not a method we approve of. However, a sober-minded leader can indeed improve his work if he can identify the criticism of the masses and the problems in work from the grievances of the masses.

"Leading cadres should constantly pay attention to mass production, interests, experience, and feelings." This sentence written by Comrade Mao Zedong in Yanan should still be profoundly understood by all people. If the morale of the masses in a certain locality or unit is low or has dropped or if they air more grievances, the leaders there should not look to the masses first. They should examine themselves first to see if there are some deviations or errors in their work.

JINGJI YANJIU ON FORMS OF SOCIALIST OWNERSHIP

HK060904 Beijing JINGJI YANJIU in Chinese No 4, 20 Apr 85 pp 3-11

[Article by Dong Fureng of the Economics Research Institute of the China Academy of Social Sciences: "More on the Forms of Socialist Ownership in China"]

[Text] JINGJI YANJIU No 1, 1979 carried my article entitled "On the Forms of Socialist Ownership in China." That article has roused relatively great response. Some people are for it and others are against it. I do not want to carry out a debate here to argue against the various criticisms that have been put forward by those who are against that article.

We had better wait for practice to prove whether the theses in that article are correct or not. However, I think that it is indeed imperative to carry out research into the problem of the forms of socialist ownership. We must be sure to affirm this. Here, I only want to give more of my rough opinions on the problem of the forms of our country's socialist ownership from the angle of the economic structural reform.

Before I begin to expound on this topic, it is necessary to first make a distinction between socialist ownership in general and the concrete form of this ownership. The relations between them are the relations between generality and specificity and between abstractness and concreteness. Generality resides in specificity and abstractness resides in concreteness. As a "generality," socialist ownership always resides in specificity, is always concrete and has concrete forms, for example, ownership by the whole people and collective ownership. Similarly, on another tier, as a "generality," ownership by the whole people, and collective ownership, and so on always resides in specificity and they are all concrete and have their different concrete forms. For example, the former takes the form of state ownership and latter takes the forms of the cooperative, the collective farm, and the people's commune. In studying the problem of socialist ownership, we should not remain at the stage of studying the generality of the socialist system, but must study the concrete forms of socialist ownership, that is the forms of socialist ownership that are expounded on in this article.

I Economic Structure and Forms of Socialist Ownership

In 1980, I wrote the following passage in my article entitled "On (Bruce's) [Bu lu si 1580 7627 2448] Theory of Socialist Economic Pattern": "Concerning the problem of socialist economic patterns, in my opinion we can view this problem from two different angles. First, we can study it from the angle of the form of socialist ownership of the means of production. This means that we should study the form of the socialist ownership on the basis of the nature and level of the specific productive forces, the structure of the forms of ownership and the question of how the forms of socialist public ownership develop and how the structure of these forms change as the productive forces develop. Second, is to study it from the angle of the principle governing the operation of the socialist economy.... The above-mentioned two aspects of the problem of socialist economic patterns are obviously different from and linked to each other. In my opinion, when we are probing into the problem of socialist economic patterns, we can approach from different angles, but finally, we should combine the probing from the two angles and only by so doing can we satisfactorily solve the problems." (Footnote 1) (Refer to my book entitled "Chinese Theoretical Economic Problems During the Major Change," 1981 edition of Shandong People's Publishing House, pp 148-149) Now, I continue to adhere to my views and as our country's economic structural reform goes on, I have become increasingly deeply convinced that we should regard as an important content of our country's economic structural reform the reform in the form and structure of our country's socialist ownership.

A few years ago when we were pushing forward the implementation of the household contract responsibility system with remuneration linked to output in our rural areas, in order to reduce people's doubts and worries, some people pointed out that the implementation of the "system of assigning the households full responsibility for production quotas" and the "system of assigning the households full responsibility for task completion" will not change the collective ownership of our agriculture and that what will be changed is only the management methods in the collective economy.

At that time, that view played a certain role, but that view is theoretically incorrect, and is detrimental to the deepening of the reform for it eliminates from the field of vision of our people the problem of the reform of the form of our agricultural collective ownership during the reform of the rural economic structure. A few years ago, when the economic structural reform in our cities gradually began to be carried out, we again read a view that was put forth for the same purpose. That view is that expanding the decision-making power of the enterprises owned by the whole people and turning these enterprises into relatively independent commodity producers which are managed independently and shoulder sole responsibility for their own profits and losses will not change the ownership by the whole people (state ownership), rather, the only thing that will be changed is the management methods of our enterprises. In order to prove this view, some theories have been presented. We can understand the motive for presenting that view, but in theory, this view is worth discussing. There is one thing common in the above-mentioned views: People do not want to see the economic structural reform affect the form of socialist ownership (in other words the concrete forms of the socialist ownership), even less are they willing to reform the form of socialist ownership. People worry, deep in their hearts, that if the forms of socialist ownership are reformed, the economic structural reform will deviate from the socialist direction and thus change the socialist nature of the economy. I think that there is no ground for such a worry. However, this reflects the fact that the minds of some people are still dominated by certain previous traditional concepts about the socialist economy, in particular about the problems related to socialist ownership. However, practice has already proved that these concepts are not correct. In fact, a slight deepening of the structural reform of the economy will demand a reform of the forms of socialist ownership to various extents. If we do not carry out reform of the forms of our socialist ownership, it will be impossible for our structural reform of the economy to deepen or succeed. There is no need for us to conceal the fact that in our structural economic reform, we must reform the forms of our socialist ownership. In fact, if we clearly explain the reasons for it, people will understand the necessity of doing that and this will be conducive to the deepening of the structural reform of the economy.

Our structural reform of the economy is in fact a reform of the socialist economic pattern, in other words, it is a reform to change the old traditional pattern and establish a new pattern. The reason the problem of the forms of socialist ownership is an important part of our structural reform of the economy is because this problem is inseparably linked to the problem of the operation of the socialist economy in the issue of the socialist economic pattern. These links are mainly in the following aspects:

The first is the policy decision-making system of the socialist economy. One important question in the operation of our socialist economy is how are economic policy decisions to be made and who is to make the decisions. In other words, through what policy decision-making system will the socialist economy operate. Differences in the policy decision-making system is an important mark that distinguishes different socialist economic patterns.

In the final analysis, economic policy decisions are nothing but the practice of deciding the goals of economic development and deciding on the readjustment of the allocation of resources in order to realize these goals. If the central departments decide, in a centralized manner, the goals of economic development and readjust the allocation of resources in order to realize these goals, the establishment of a centralized economic policy decision-making system is demanded.

Naturally, we cannot say that in this kind of economic policy decision-making system, all the economic policy decision-making power is centralized in a certain central department; for, this is in fact impossible. The power is centralized in the central departments through various levels or tiers. The lower-level organizations can only carry out their activities within the scope of power fixed by the upper-level organizations and should not go beyond that scope. They must obey and implement the policy decisions of the upper-level organizations. This policy decision-making system in which lower-level organizations obey higher-level ones level by level, enables the central departments at the top level to actually centralize economic policy decision-making power. The multi-tier centralized economic policy decision-making system often administers all the economic activities through two kinds of stratified systems, namely, the administrative system which is divided up into government sections (also called "departments") and the system that is divided up into regions (also called "areas"). Under this kind of economic policy decision-making system, the enterprises have neither their own separate goals nor the right to decide their own goals. Their goals are assigned to them by the central departments as parts of the goals decided by these departments in a centralized manner. In other words, the realization of the goals that have been decided by the central authorities in a centralized manner, is directly their own goals. When this goes to the extreme, even our laborers as individuals have no or little decision-making power for themselves (for example, the power to select their jobs or consumer goods to purchase). What was established in our country's existing economic system is precisely this kind of centralized and stratified economic policy decision-making system. Among the various kinds of socialist economic patterns, there is the economic policy decision-making system established in Yugoslavia in which power is decentralized and the workers committee in an enterprise exercises economic policy decision-making powers. Here, each enterprise can decide its goal on its own and carry out actions to realize its own goals. This is a decentralized policy decision-making system. Besides the above-mentioned two kinds of economic policy decision-making systems, there are other economic policy decision-making systems which are mixtures of these two kinds of systems, for example, the system in Hungary.

The second is the motive force system of the socialist economy. The motive force here means the motive force for the operation of the socialist economy. In other words, it is the motive force to realize the economic development goals and readjust the allocation of resources in the operation of the socialist economy. The economic motive force system is suited to the economic policy decision-making system. Under the above-mentioned centralized and stratified economic policy decision-making system, in order to realize the goal decided on by the central authorities in a centralized manner and in order to readjust the allocation of resources for the realization of the goal, a corresponding motive force system is established. This motive force system mainly uses compulsory administrative means as the motive force for the motion of the economy. In other words, the centralized policy decisions of the central authorities are implemented, through the forms of administrative orders, instructions, and decisions, level by level downward to enterprises in accordance with the administrative system and the regional system. In this stratified structure, the relations between upper- and medium-level organizations and lower-level organizations are the relations between those who give orders and those who obey orders. The upper-level organizations compulsorily restrict the actions and the results of the actions of the lower-level by the former's policy decisions in the forms of orders, instructions, and decisions. If the lower-level organizations want to change the orders, instructions, and decisions issued to them by the upper levels or need to take other actions, they must ask the upper levels for instructions and obtain approval from the upper levels.

Roughly, that is the motive force system in the economic motion of our country's existing economic structure. However, in another kind of socialist economic pattern, a motive force system with economic interests or economic stimulus as the main motive force is established corresponding to the decentralized economic policy decision-making system. The motive force for the activities of various enterprises is to earn more profits, and the motive force for the members of the enterprises is to get more income through enabling their enterprises to earn more profits. This motive force system readjusts the allocation of resources through the change in the relations of economic interests caused by market competition. Roughly, this is the case with the economic structure in Yugoslavia. Besides, there are other various kinds of motive force systems which are mixtures of these two systems. They generally combine the motive force of the compulsory administrative means and the motive force of the non-compulsory economic interests, but there are many different combinations.

Naturally, there are not merely the above-mentioned two aspects of problems in the motion of the socialist economy and there are also problems related to the information system and readjustment system. However, the above-mentioned two aspects of problems are most closely related to the problem of the forms of socialist ownership. Here we only explain this by giving the example of the centralized economic pattern. Under the situation in our country, the above-mentioned policy decision system and motive force system in the centralized economic pattern have raised a series of demands on the form and structure of the socialist ownership:

First, the demand for the widest possible socialization of the means of production. For, the greater the scope of the socialization, the greater the resources that are concentrated under the control of the central policy decision-making departments and thus the greater these departments' ability to centralize the making of policy decisions and to use compulsory administrative means as a motive force to push forward the motion of the economy and the implementation of the centralized policy decisions. In addition to the worries of our people about the capitalism that may be brought about to a large amount by the individual ownership economy, this is an important reason why, since the establishment of our country's existing economic structure, we have demanded the quickest and the most thorough possible transformation from individual ownership to socialist ownership. This is because the widespread existence of the individual system means that a corresponding amount of resources are dispersed in the various sectors of the individual economy and thus cannot be centralized by the central policy decision-making departments. At the same time, each economic unit of the individual ownership system has its own goals, which may not be identical with the goals fixed by the central departments in a centralized manner. As a private ownership economy, the motion of the individual ownership economy is urged on by the motive force of the economic interests of the individual owners, therefore, generally speaking, the central policy decision-making departments cannot use compulsory administrative means (not including the necessary decrees and policies) to directly make them act in accordance with the centralized policy decisions of the central departments.

Second, the demand for the transformation into the ownership by the whole people for our socialist means of production and for the greatest possible scope of this ownership. For the greater the scope of the ownership by the whole people, the more the resources that can be centralized by the central policy decision-making departments and thus the greater the ability of these departments to carry out the centralization of policy decisions that have been made in a centralized manner, and to urge the socialist economy to move in accordance with the requirements of the centralized policy decisions.

This has been an important reason why under our country's existing economic structure, since the socialist collective ownership was established in a widespread manner, we have time and again carried out upgrading transformations of our collective enterprises, turning them from the so-called "small collectives" into the so-called "big collectives" and then into the ownership by the whole people. For although the collective ownership economy is an economy of socialist ownership, as the enterprises are managed independently, have the resources under their own control, can fix their goals on their own and make decisions corresponding to the goals, and urge their actions out of the consideration of their economic interests, compared with the economy owned by the whole people, the existence of the collective economy is detrimental to the high concentration of resources and thus fails to facilitate the centralized decision-making of the central authorities or to enable the central policy decisionmaking departments to use the compulsory force of administrative means to force the collective economy to implement the centralized policy decisions of the central authorities. The upgrading transformation of the collective economy and the transformation of it into the economy owned by the whole people is precisely the demand of the highly centralized socialist economic pattern.

Third, the demand for "merging government administration and enterprise management" in the form of socialist ownership. The form of socialist ownership that "merges government administration and enterprise management" turns socialist enterprises into subordinates of administrative organs at various levels which directly administer and manage enterprises. As the economic policy decision-making system is stratified, so too are enterprises. Each enterprise is subordinate to a corresponding organization of the administrative system or the regional system. In other words, enterprises are divided up into enterprises directly under the jurisdiction of the central authorities and local enterprises and local enterprises are further divided up into provincial, prefectural, and county enterprises. The form of socialist ownership that "merges government administration with enterprise management" has ensured that the government administrative organs at various levels can use their orders, instructions, decisions, and other compulsory administrative means to urge the enterprises to act in accordance with the centralized policy decisions of the central authorities. The "merging of government administration and enterprise management" in our socialist ownership consists of not only the "merging of government administration and enterprise management" in the sector owned by the whole people, but also the "merging of government administration and enterprise management" in the collective sector. In China's cities through tier-by-tier "upgrading," many collective enterprises have in fact been turned into enterprises owned in disguise by local government, though they retain the name of the collective ownership. They are subordinate to the administrative organs of various levels in our cities and prefectures and some of the collective economy is subordinate to neighborhood organizations. In our country's rural areas, the collective ownership adopted the form of the people's commune which "merges government administration with commune economic management." The entire rural collective economy was merged into the township political power and a people's commune is simultaneously a collective economic organization and an organization of political power. The "merging of government administration and enterprise management" in our socialist ownership caused our enterprises to become subordinate to the government administrative organs at various levels and thus brought not only all the economy owned by the whole people, but also the urban and rural collective economy into the centralized policy decision-making system of the central authorities and the administratively compulsory motive force system.

This forced them to act in accordance with the compulsory administrative orders, instructions, and decisions issued by the administrative organs at various levels in order to facilitate the implementation of the policy decisions made by the central authorities. It is unnecessary and impossible for our enterprises to decide their actions on their own. The "merging of government administration and enterprise management" in our socialist ownership means transforming our socialist ownership into state ownership. It has not only caused the ownership by the whole people to adopt the form of state ownership, but also caused our urban and rural collective ownership to adopt, to a certain degree, the form of state ownership. (Footnote 2) (I understand the term state ownership from the angle of the categories of political economy instead of from the angle of the concepts of the science of law. (Refer to my book "Chinese Theoretical Economic Problems During the Major Changes," 1981 edition of Shangdong People's Publishing House, pp 51-53))

Other socialist economic patterns also require their corresponding forms of socialist ownership. For example, the Yugoslav economic pattern with its decentralized economic policy decision-making system and the system that regards economic interests as the economic motive force, requires a autonomous social ownership, which is precisely one of the forms of socialist ownership.

In our country's economic structural reform, as the mechanism of the motion of the economy changes, and as the economic policy decision-making system and the motive force system change, the socialist ownership form should be reformed correspondingly. We should not deny the objective necessity of reforming the forms of socialist ownership, even less the reforms that in fact have already taken place, are taking place, or will take place. On the contrary, we should consciously promote these reforms.

II Reform of Our Country's Socialist Ownership System in the Reform of the Economic Structure

Regarding the ownership of the means of production, I think that we should not view them from the angle of the concept of the science of law or from the point of view of the relations of legal power. In other words, we should not regard it as a title over property in law. But we should view it from the angle of the category of political economy. In other words, we should regard it as a practical mode of relations of production, or in other words, as the total sum of the relations of production, and regard it as the social mode of the combination of laborers and the means of production. From the starting point of this method of viewing it, the form of socialist ownership is precisely the concrete form of the combination of the combined laborers (or the combines of free people) and public means production. In our country, as the economic structural reform develops, the forms of the socialist ownership are undergoing profound change.

In our rural areas, the forms of our country's collective ownership (or the concrete forms of the collective ownership) have undergone and will undergo profound reform. As was said above, in order to meet the demand of the centralized policy decision-making system and the administrative compulsory motive system, the people's commune system which "merges government administration with enterprise management" was once implemented in our country. To a fairly great extent, this form of rural collective ownership caused various rural collective units to lose their position as independent units of operation and made them unable to independently arrange their production and operation in light of market demand and in light of local conditions. The centralization in decision-making and the implementation of the decisions by compulsory administrative means often harmed the economic interests of the collective economic units and their members.

This caused the slow growth of our agricultural production and the slow increase in the income of our peasants. During the reform of the rural economic structure two fundamental changes have taken place in the forms of our rural collective ownership.

First, the implementation of the "separation of government and commune functions" has freed our rural collective ownership from the form of state ownership in disguise and to no longer be subordinate to the administrative organization of the state. This change in the form of the collective ownership has brought about profound changes in the motion of the socialist economy. These changes have been demanded by the reform of the economic structure. Regarding the economic policy decision-making system, the administrative departments at various levels can no longer directly make centralized policy decisions over the activities of the economic units owned by the collective. On the contrary, in the various collective economic units, to be more concrete, the peasant families to which responsibility is assigned by contracts separately make decisions. The policy decision-making departments of the central authorities can only give guidance to and affect the decisions of the collective economic units and peasant families. Regarding the economic motive force system, it is no longer necessary nor possible for the government administrative departments to use orders, instructions, decisions, or other compulsory administrative means to urge the collective economic units and peasant families to implement the policy decisions (not including necessary decrees and policies) formulated in a centralized manner. The various collective economic units and peasant families will decide their own goals and actions out of consideration of their economic interests. The state's planning and guidance over rural economic development will mainly be realized by applying economic levers to regulate relations of economic interests.

Second, the implementation of the production responsibility system geared to families, namely, the "system of assigning the households full responsibility for production quotas" and the "system of assigning the households full responsibility for task completion." This has been another deep reform in the form of rural collective ownership. Regarding land, water conservation facilities, roads and other means of production, and fundamental facilities which continue to belong to the collective and cannot be purchased or sold by peasants, since the implementation the "system of assigning the households full responsibility for production quotas" and the "system of assigning the households full responsibility for task completion," the fundamental part of our rural economy continues to be owned by the collective; but at the same time factors of the individual ownership have been added to it. For example, the peasant families' investment in soil improvement, the means of production (farm animals and tools and transport facilities and so on), and the fundamental facilities that peasant families have built on their own (for example, wells). Thus, the income that a peasant family earns from the land contracted to him and from the forests, ponds, orchards, and so on, consists of not only the income corresponding to their previous labor remuneration, but also the income earned by the means of production owned by them as individuals, or in other words, as they use the means of production owned by them as individuals to raise their labor productivity and thus earn extra income. We can say that at present the rural economy where the "system of assigning the households full responsibility for production quotas" and in particular the "system of assigning the households full responsibility for tasks completion has the form of the ownership of means of production that combines the collective ownership and the peasants' individual ownership. This is a very profound change that has taken place in rural collective ownership. We should not deny this change."

Admitting this change will not cause people to doubt the correctness of the rural economic structural reform; for practice has already proved that this change is a great invention which has played a tremendous role in promoting the development of the rural productive forces and that the socialist foundation has been preserved for our rural economy.

In our cities, the form of collective ownership is also undergoing changes. This change is mainly that the collective enterprises will be separated from their previous responsible departments, that the responsible departments will no longer shoulder unified responsibility for the profits and losses of these enterprises, that these enterprises will no longer be subordinate to these departments and thus will not longer be owned in disguise by local government or the state, and that they will become collective enterprises that are truly managed independently and shoulder sole responsibility for their profits and losses. However, we should say that this change is still on the way and has not yet been completed.

Is there then any change that is taking place in the forms of our country's ownership by the whole people (or the concrete forms of the ownership by the whole people) during the economic structural reform? From the point of view of the concept in the science of law, in other words, if we regard the ownership of the means of production as a problem related to legal title over property, we will draw the conclusion: There is no change in the form of the ownership by the whole people in our country, because in law, the means of production continue to belong to all the people or to belong to the state which represents the people. However, if we view this problem from the point of view of the category in political economy, in other words, if we regard the ownership of the means of production as the sum total of the actual relations of production and as the social mode that combines laborers with the means of production, we should admit that there have been profound change in the forms of the socialist ownership by the whole people.

First, the form of the "merging of government administration and enterprise management" in the ownership by the whole people is undergoing change, which will be an important step in switching from the indirect combination through the state as the medium between combined laborers and the public means of production into a direct combination. After the "separation of government administration and enterprise management," the enterprises owned by the whole people will become independently managed economic entities and thus become relatively independent economic entities. There will be profound changes in the relations between the state and the enterprises. Our enterprises will have the economic decision-making power that as independent commodity producers they must have. As a result, the economic decision-making power is no longer centralized in the government administrative organs at various levels. Except for a small number of cases in which there is the necessity, the state will no longer stipulate the actions of the enterprises by compulsory means such as orders, decrees, and decisions (not including necessary decrees and policies) and thus push forward the motion of the economy owned by the whole people. So there are changes in the state ownership form of the ownership by the whole people.

Second, after the implementation of the practice of enterprises being managed independently and shouldering sole responsibility for their own profits and losses and after the establishment of the direct relations between the interests of the staff and workers of the enterprises and the interests of the enterprises, for our enterprises that are relatively independent commodity producers, economic interest will become the internal motive force that pushes forward the motion of the enterprises owned by the whole people and these enterprises will regard earning profits as their goal and realize the common goal of society through the realization of their own goal of earning profits.

Under these circumstances, the tier of enterprises becomes a combination of combined laborers and public means of production that has the content of actual economic relations, in other words, becomes a combination of economic interests. In other words, economic interests tie the combination together. This is clearly different from the previous form of ownership by the whole people. Under the previous economic structure, the enterprises have not their own economic interests and there are no direct relations between the interests of the laborers and their enterprises. Of course, in the previous form of ownership by the whole people, the combination of combined laborers and public means of production was, in the final analysis, also a combination of interests, but this combination of interests is realized at a higher level -- on the scope of the whole society -- instead of being realized at the level of the enterprise. At the same time, among enterprises owned by the whole people each of which is a relatively independent commodity producer, a relation of exchange at equal value should be established. These relations are also practical relations with the content of economic interests. However, under the previous economic structure, the relations between enterprises were not founded on the relations of economic interests with exchange at equal value as their content. The change in the practical relations of production in the economy owned by the whole people is also a change in the form of the ownership by the whole people.

From the above we can see that the economic structural reform will inevitably lead to a change in the forms of socialist ownership. This change must be mutually suited to the change in the socialist economic policy decision-making system and the motive force system.

III The Problem of the Pattern of the Form of Socialist Ownership

The previous theory holds that the form of socialist ownership has its fixed pattern, that is, the two kinds of concrete forms of socialist ownership: 1) The form of socialist ownership by the whole people, which can only adopt the form of state ownership throughout the historical period of socialism; and 2) the form of socialist collective ownership, which can only adopt the form of collective farm, people's commune, or rural production cooperative in the rural areas. Here, the common labor of the collective laborers in a given area is distributed in a centralized manner on the scope of the whole collective economy. In addition, socialist ownership by the whole people is the advanced form of socialist ownership, while collective ownership is its less advanced form and should be transformed into ownership by the whole people until a uniform ownership by the whole people is established in the whole society. This theory of the pattern of the form of socialist ownership has always guided the practice of many socialist countries. True there is something reasonable in this pattern or something reasonable during a certain historical period, but it is not appropriate and is detrimental to the economic structural reform to regard this pattern as unchangeable and the only pattern. There is no need to mention the situation in other socialist countries, judging by the situation in our country during the past few years alone, there has already been a breakthrough in this pattern and there will continue to be such breakthroughs.

The implementation of the contract responsibility system geared to the family as its basic unit and with remuneration linked to output in our country's rural areas is a breakthrough from the previous form of collective ownership, a breakthrough not only in our country's form of the people's commune, but also in the forms of the collective farm and the agricultural cooperative.

Of course, as the agricultural productive forces develop, the "system of assigning households full responsibility for production quotas" and the "system of assigning households full responsibility for task completion" will also change. At present, new forms of combination have already emerged in our rural areas. However, these forms of combination are not the renewal of the forms of the agricultural production cooperative or the people's commune. Quite a few of these combinations are professional combinations such as transport organizations, and tractor ploughing organizations. They are not combinations that take in all the residents of an area, a natural village or several natural villages into one people's commune or one agricultural production cooperative, combinations that are organized in line with the division of areas and natural villages. People are very much concerned about the prospects of the development of the current agricultural production organizations with the family as the basic unit. As there is little land for a large population, each family is assigned a very limited area of land (except for the sparsely populated areas) and has limited funds. Will the organization of agricultural production with the family as the basic unit restrict the application of modern agricultural technology and thus restrict the development of agricultural productive forces? This problem has already begun to emerge in some areas. In order to meet the demand for the application of modern agricultural technology and the demand for the development of the agricultural productive forces, we have already begun to concentrate land gradually through the form of transferring land contracts. Under these circumstances, will the organization of agricultural production with the family as the basic unit continue to exist? It is too early to answer this question. However, there is definitely no doubt that various new forms of collective ownership different from the collective farm, the people's commune, or the agricultural production cooperative will certainly emerge in our rural areas. Judging by the development of agriculture in the United States, Japan, and other countries, family farms continue to be the main form and have vitality, even in a densely populated country like Japan. In our country, it is very possible that the family will continue to be the basic unit of agricultural production for a long time, but of course the land will gradually be concentrated. At the same time, some peasant families will jointly develop various kinds of cooperation and combination such as the establishment of credit cooperative organizations to provide banking and credit services for peasant families, establishment of cooperative supply and marketing of their agricultural products and the supply of agricultural means of production and consumer goods, establishment of transport cooperative organizations to provide peasant families transport services, establishment of agricultural production service cooperative organizations to use modern agricultural means to provide peasant families with agricultural production services related to ploughing, irrigation, application of fertilizer, pest control, harvesting, and the production of seeds, establishment of agricultural product processing cooperative organizations to process agricultural products where they are produced, and so on. All these are different from the forms of collective farms, people's communes, and agricultural production cooperatives. Under these forms of collective ownership, agricultural production continues to be carried out with the family as the basic unit, with each operating independently and shouldering sole responsibility for their profits and losses in order to continue to give play to the initiative of the peasant family in developing agricultural production. At the same time, this can also break the restriction on the development of our agricultural production, a restriction that may be caused by the limited amount of land and funds in family operations. It can thus give play to the superiority of socialist collective ownership.

In addition, the agricultural, industrial, and commercial combines that have been developed in some areas and the enterprises set up by peasants by pooling their funds have also broken the pattern of the form of rural collective ownership of collective farms, people's communes, and agricultural production cooperatives.

Enterprises with pooled funds have already emerged and are developed in both our country's rural and urban areas. Some of these enterprises have been set up with funds pooled by individuals, others have been set up with funds pooled by individuals and units, still others have been set up with funds pooled by units. There are many different forms of distribution. In some enterprises, the individual shareholders of the enterprises can earn remuneration through their labor but are not paid any dividend for their shares; in other enterprises, the individual shareholders are able to receive dividends for their shares as well as earn remuneration through their labor; and in still other enterprises, some individual shareholders do not take part in the labor in the enterprises but are paid dividends for their shares. To different extents, these enterprises are of the nature of socialist collective ownership and some of these enterprises are of a semi-socialist nature. Here, we do not intend to discuss the nature and development prospects of these enterprises. I only want to point out that quite a few of these enterprises have already broken, to differing extents, the previous pattern of the forms of urban and rural collective ownership. In an enterprise established by pooling funds from among individuals, a shareholder can be paid share dividends. This is undoubtedly conducive to the development of the economy. As for the possible social consequence of this practice and the question of what social problems will be caused by this, we have yet to research it. In 1980, I wrote an article discussing this question. (Refer to the article the "Chinese Economy During the Major Change" published in my book "Chinese Theoretical Economic Problems During the Major Change"). It seems to me that some of the understanding of this question in that article may still be appropriate, but others (such as the understanding about the practice of paying dividends to individual shareholders) may need further probing, but at present, I am unclear on these questions.

The form of ownership by the whole people in our country is also undergoing profound changes. This has already been briefly mentioned above. Here I want to point out some more things. In view of the previous poor administration and management of the enterprises owned by the whole people, during the current economic structural reform, we are experimenting to reform the forms of the ownership of some of the medium-sized and small enterprises owned by the whole people. For example, some enterprises have been transformed into collective ownership and thus promote development of the productive forces. This practice has shown us that we should not judge whether a form of ownership is advanced or less advanced merely by the form of ownership itself. We should consider the question of what form of socialist ownership is conducive to the development of the productive forces under certain circumstances and adopt that appropriate form. We should not simply regard a transformation from collective ownership to ownership by the whole people as "upgrading" and "progress" or regard a transformation from ownership by the whole people to collective ownership as "downgrading" or "retrogression." Nor should we say that collective ownership is destined to be transformed into ownership by the whole people. As another example, the management of some enterprises is assigned by responsibility contracts to the staff and workers of the enterprises and leased to individuals or the collectives of staff and workers. From a legal point of view, the means of production of these enterprises continue to be owned by the state (or the whole people) and there is no change in the ownership.

But from the point of view of the actual mode of the relations of production, and from the point of view of the social mode of the combination of laborers and means of production, in these contracted and leased enterprises there have already been tremendous changes in the relations of economic interests between the enterprises and the state, between the enterprises and their staff and workers, and among the staff and workers themselves. Yet another example is that an experiment has been made to allow the staff and workers of an enterprise to possess some shares of the enterprise so that the staff and workers will be paid share dividends in addition to their labor remuneration. Of course, this is also a tremendous change in the previous form of the ownership by the whole people. Moreover, some enterprises owned by the whole people jointly raise funds to establish another enterprise or jointly invest in another enterprise (owned by the whole people or by the collective) and they are paid dividends for their investment. This has caused change in the actual mode of the relations of production and change in the social mode of the combination between laborers and means of production and thus caused change in the form of the ownership by the whole people. Here, I am not going to comment on the above-mentioned change in the form of the ownership by the whole people. But these changes tell us that the form of ownership by the whole people is not fixed.

We also see that at present, many forms of socialist ownership have already emerged in our country and it is already very difficult for us to simply classify them by the patterns of the "two kinds of forms of public ownership" and thus regard them simply as ownership by the whole people or collective ownership. For example, when the staff and workers have taken some shares in an enterprise previously owned by the whole people, it has already become impossible for us to apply to this enterprise the previous concepts of ownership by the whole people and collective ownership. As another example, we also cannot simply apply the existing concepts of ownership by the whole people and collective ownership to the enterprise that has been set up by the joint investment of an enterprise owned by the whole people and a collective enterprise. The pattern of the "two forms of public ownership" has in fact already been broken. Now there have already been many forms of socialist ownership that we cannot yet give names to. By the way, here I want to mention the question of semi-socialist ownership. Quite a few of the above-mentioned forms of socialist ownership newly emerged in our urban and rural areas are "semi-socialist ownership" according to the previous way of classification of socialist ownership, because in these enterprises of socialist ownership laborers not only earn remuneration through their labor, but also earn remuneration by their investment (shares, contribution of means of production). For the time being, we continue to call this "semi-socialist ownership." But how are we to understand the emergence of this form of socialist ownership? Why should we allow some enterprises of "thorough socialist ownership" to "retrogress" to "semi-socialist ownership," since we have already completed the transition from private ownership to socialist ownership and from "semi-socialist ownership" to "thorough socialist ownership"? Is this not a historical retrogression? I think that we should consider whether these various forms of socialist ownership are conducive to the development of the productive forces and then decide whether the existence of these forms is reasonable. For developing the productive forces is the fundamental task of socialism. At the same time, we should also correct our view of socialism. In other words, we should not think that only "thorough socialist ownership," is socialist and that "semi-socialist ownership does not look like socialism." In fact, socialism in its true sense should not be regarded as being 100 percent pure.

Since in order to develop productive forces, we can allow some individual ownership and even some private capitalist ownership (for example, sole proprietor enterprises of foreign investors), and some state capitalist ownership (for example enterprises with joint Chinese and foreign capital) to exist, why should we not allow "semi-socialist" ownership to exist? In fact, as long as the principal part of the ownership of means of production in our country is socialist, we will be able to ensure that the economy in our country develops in a socialist direction. We should allow various forms of socialist ownership to exist and develop, as long as they are conducive to the development of the productive forces. Moreover, we still have to wait for the proof of practice as to the question of what forms of socialist ownership are more favorable to the development of the productive forces after all.

In short, during the reform of the economic structure, we should not evade the question of the form of socialist ownership, but should conscientiously study this question. The problem now is that theory lags behind the development of practice. People want to put practice into a certain fixed framework of theory. We can say that if we do not do research the problems related to the forms of socialist ownership and if we do not develop our theory of socialist ownership in light of the development of practice, we will not only be unable to consciously push forward the reform in the forms of our socialist ownership so as to promote our economic structural reform, but will also be unable to remove the doubt and worries of some kind-hearted people about the correctness of our country's economic structural reform (for example the doubt about the question of whether our country's reform adheres to the socialist orientation). In this article I have not mentioned the problems related to the non-socialist ownership in our country's economic structural reform and the problem related to the structure of the ownership of the means of production including both socialist and non-socialist ownership. These problems should be specially discussed. At the same time, here I have focused on expounding on the demand of the economic structure on the forms of socialist ownership, but have not focused on expounding on the demand of the forms of socialist ownership on the economic structure. This is because at present we need to focus on researching the question of how we are to reform our socialist ownership in order to make it suited to and promote the reform of the economic structure.

RENMIN RIBAO ON INTERNATIONALIZED ECONOMIC LIFE

HK131015 Beijing RENMIN RIBAO in Chinese 10 Jun 85 p 5

[Article by Luo Yuanzheng: "Internationalization of Economic Life Is the Basis of Opening to the Outside World"]

[Text] In modern times, as productive forces are developing rapidly every day, international economic relations and getting closer and closer, and the socialization of economic life has gone beyond the scope of a single country and has been developing into the stage of internationalization. As Lenin pointed out: "Under the capitalist system, the entire economic, political, and spiritual life of mankind has become more and more international. Socialism will make it completely international." ("Collected Works of Lenin," Vol 19, p 239) Socialist countries should not only follow this progressive trend in the development of human society, but should also consciously and actively promote this historical process. The open-door policy adopted by our country is not only needed by the four modernizations, but is also a necessary step to adapt our country to the trend toward internationalization of economic life.

As a matter of fact, the developed capitalist countries are carrying out worldwide economic expansion by making use of their advantages in capital, technology, international markets, information networks, and business management. At the same time, in the process of internationalizing economic life, the people of all countries are also strengthening their cooperation and exchanges, which is favorable to the development of socialism and in the interests of all people throughout the world. The prosperity and development of a socialist country should, admittedly, be based mainly on its own efforts and strength, but this on no account means that it should not assimilate the advanced technologies and management skills of the advanced capitalist countries. A closed-door situation will only make the country unenlightened and backward; while an open-door situation will enable it to get access to all advanced things. So only by opening the door of the country can we become powerful and prosperous.

In the present-day world, the means and methods of transmitting information have become more and more diverse and progressive. Technologies, economic methods, and cultures of various nations are now exchanged on a worldwide scale, and are influencing and assimilating each other. This has made the world, where human beings live, more colorful and multifarious. Under these circumstances, all countries and nations need to continuously absorb all advanced and good ideas and cultures from other countries and nations through extensive international exchange and cooperation. Comrade Xiaoping once said that our work should be "oriented to the four modernizations, oriented to the world, and oriented to the future." This is a pertinent instruction, which includes a guiding thought of far-reaching strategic significance.

A traditional opinion holds that capitalism has developed to the stage of monopoly capitalism and has become parasitic, decadent, and moribund, so nothing in capitalism is worthy to be used for reference. This is a one-sided opinion. Lenin did say that capitalist monopoly "will inevitably lead to tendency to stagnation and decadence." But Lenin also said: "It would be a mistake to believe that this tendency to decay will preclude the rapid growth of capitalism. No, it is not the case. In the epoch of imperialism, certain branches of industry, certain strata of the bourgeoisie, and certain countries betray, to a greater or lesser degree, now one and now another of these tendencies. On the whole, capitalism is growing far more rapidly than before." ("Selected Works of Lenin," Vol 2, p 842) Things at present show that a new technological revolution is rapidly developing in the United States, Japan, and Europe. The tendency to grow in the productive forces is more obvious now. Previously, it would take more than 10 years, or even a few decades, to turn a technological invention into a production innovation of commercial value; at present, however, computer technology and microelectronics technology are developing at a speed marked by one major change each year. If we only notice the tendency to stagnation of the productive forces in the era of imperialism, we have merely a one-sided understanding of Lenin's prediction as to the two different types of tendency. With the emergence of the new technological revolution, productive forces will certainly advance with giant strides. With the continuous development of productive forces, which constitute the most active and most revolutionary factor, the socialization of productive forces will inevitably become a tendency that runs beyond the boundaries of regions and countries and that will internationalize economic life in modern times.

Another prevailing opinion holds that only the international circumstances, in which the Western world is bogged down in an economic crisis and recession, can be taken by us as an opportunity to pursue the open-door policy. In my opinion, this viewpoint is not completely in line with the facts.

The postwar economic boom in the world has brought about economic takeoffs and speedy economic growth in many countries, but our country precisely missed this good opportunity. The prosperity of the world economy means the expansion of markets, more rapid technological progress, and quicker upgrading of products.

In a period of economic boom, existing monopolies in markets will be weakened, and newcomers who can better adapt themselves to the changing needs of international markets will be weakened, and newcomers who can better adapt themselves to the changing needs of international markets will have a good chance of directly opening up or entering international markets. As far as our country is concerned, the expansion of international markets is favorable to our increased export and will provide good conditions for us. For example, surplus funds on the international capital market will relatively decrease, and imported goods will become more expensive.

However, weighing advantages and disadvantages from an overall point of view, we may find that the unfavorable factors created for our country by a worldwide economic boom will not be too great. The experience of the Soviet Union in developing its domestic economy by making use of the worldwide economic crisis in the 1930's is subject to some specific historical conditions and international circumstances. Now it seems that a key factor conditioning circumstances. Now it seems that a key factor conditioning our foreign economic relations is the issue of how to maintain a foreign exchange balance. The basic solution to this situation to this issue is to increase exports so as to increase foreign exchange earnings. Therefore, it is a prosperous international environment, rather than a depressed international environment, that will be more favorable to us.

Our present open-door policy is comprehensive. That is to say, we will continue to expand friendly cooperation and to develop economic and trade relations with other socialist countries and Third World countries, and, at the same time, we will also actively develop economic and trade relations with Western countries on the basis of independence, equality, and mutual benefit. The formulas of "one country, two systems" and "joint development" put forward by our party to settle international disputes have also provided brighter prospects for us in carrying out the open-door policy in an all-round way.

The adoption of the open-door policy is never an expedient measure; instead, it is our country's inexorable long-term strategy policy. The opened door of China will never close again. China's economic ties with other countries will only continue to develop in depth and in scope. China needs the world, and the world also needs China. China's position in the world economy is rising, and this will enable China to make greater contributions to the prosperity of the world economy.

JIANGSU SETS UP CONSUMER COMPLAINT HOTLINE

OW120442 Beijing XINHUA in English 1626 GMT 11 Jun 85

[Test] Nanjing, June 11 (XINHUA) -- A telephone hotline has been set up linking 12 cities in Jiangsu Province to enable consumers to air their complaints about poor-quality goods.

The Jiangsu Province Standards Bureau has employees manning the lines around the clock. Complaints are investigated by the bureau and compensation arranged when warranted.

The hotline is a response to the problem that has sprung up in recent years of enterprises turning out shoddy goods in reckless pursuit of profit. Such conduct is deemed to infringe upon the interests of both the state and purchaser.

In a related development, to tighten quality control, China will issue certificates to goods which come up to the state standards and award them special seals, according to reports.

REFORM CHANGES SHANGHAI EMPLOYMENT PATTERNS

OW120334 Beijing XINHUA in English 0253 GMT 12 Jun 85

[Text] Shanghai, June 12 (XINHUA) -- More and more local residents, particularly young people, now like to work in collective businesses, which were previously regarded as "inferior" to state-owned enterprises.

This change in professional concepts has resulted from ongoing economic reform and new policies, according to a survey just completed by the municipal Academy of Social Sciences. "The most important criterion for choosing a job is whether it is best suited to one's ability, and many people pay little attention to workplace ownership," said academy official Tao Ye.

For example, a neighborhood-run firm hired seven engineers from a state-owned film and camera institute two years ago. One, Zhu Binghua, produced a new color film developing and printing agent within half a year, cutting the country's large imports. Zhu said: "I pursued the research program at the institute for four years, but with no success because of constant interruption."

Finding a job in a state-owned unit is known as securing an "iron rice bowl" in China, because employees usually have very little chance of being dismissed. Such workplaces also offer higher pay and better fringe benefits than collective businesses, which are responsible for their own profits and losses. "That is why people prefer working in state-owned units," Tao explained, adding that things were now beginning to change.

About 2,000 technicians and engineers have transferred from state-owned factories or institutes to collective enterprises in the past two years. Between 1981 and 1984, 150 college graduates volunteered to work in neighborhood-run factories -- 50 percent more than Shanghai's total of such graduates during the previous 32 years. This is due to the municipal government's new policy last year, under which the same treatment as in state-owned units is granted to employees moving from state-owned units to collective ones, and to college graduates assigned jobs in collective factories. "Many young people are challenging the traditional concept of looking down on service trades and self-employment," Tao said.

Eighty percent of the city's 50,000 self-employed workers are young people, running shops, restaurants and hotels or providing repair services.

About a quarter of all Shanghai's senior middle schools graduates have applied for jobs in hotels and restaurants annually since 1982, compared with the previous record of 14 percent.

The Shanghai Longhua Funeral Parlor, where very few people had wanted to work, planned to recruit only 20 workers last year, but there were 500 applicants. The parlor now employs 190 people, 80 percent young people having to pass rigorous exams.

In choosing jobs, many people are willing to sacrifice their own interests for the benefit of society. Yu Guangxing, 30, set up a stall to sell children's books in a street far from the downtown area last April, after resigning his job as a lathe operator at a machine tool plant. "I was a fan of children's paintings in my boyhood and still take pleasure to be mixed up with children," he said. "I will be very happy if my stall can make it easier for children to buy books," he said.

BRIEFS

JIANGXI RARE EARTHS INDUSTRY -- Nanchang, 7 Jun (XINHUA) -- Jiangxi Province's rare earth industry is being greatly expanded this year, a senior engineer from the provincial rare earths company said today. The company plans to recover 600 tons of rare earths from its 30 mines this year -- an increase of 400 tons over last year's figures. And several new factories have gone into operation to boost the province's smelting and processing capacity. Rare earths are nonferrous metallic elements used in the metallurgy, textiles, petrochemicals, glass, pottery, porcelain, agriculture, and defense industries. Jiangxi has the fourth largest deposits in China, which in turn has more than any other country in the world. The province's departments of metallurgy, light industry, chemistry, electronics, machinery, and agriculture have made considerable progress in research on the processing, properties, and the application technology of rare earths. The industry has a history of only about 20 years. [Text] [Beijing XINHUA in English 1100 GMT 7 Jun 85 OW]

GUANGDONG COMMENTARY ON MODELS IN REFORM, OPENING UP

HK130915 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 12 Jun 85

[Station commentary: "Acting as Models in Reform and Opening Up"]

[Text] At the provincial congress of model workers and advanced collectives, some 600 deputies from all fronts throughout the province spoke glowingly of the current excellent situation in reform, opening up, and economic construction and summed up and exchanged advanced experiences. The congress was filled with a strong atmosphere of learning from and catching up with the advanced and embodied the model workers' and advanced collectives' modern characteristics of working hard to reform, open up, and advance in our province.

At present, our country is carrying out reform of the economic structure, with the focus on the urban economy. What is most important now is that all workers and people throughout our province must, with a strong spirit of being masters of their own affairs, actively plunge into and push forward reform. They must run enterprises and do all economic work well to ensure the fulfillment of the principle of resolutely, unswervingly, and carefully waging the first battle and winning a victory without fail which was formulated by the CPC Central Committee and the State Council.

In order to fulfill the great mission of economic reform, like the model workers, everyone of our workers must do their own work well, must study science and technology hard, must improve their own political and professional quality, and must become laborers who have ideals, morality, and culture and abide by discipline.

A new era of being determined to carry out reform and to invigorate the economy has approached. Allow all of our workers throughout the province to work hard and to strive to act as models in reform and opening up. We must render meritorious service in invigorating Guangdong and China.

HAINAN PREFECTURE CADRES RETURN EXCESS BONUSES

HK130703 Haikou Hainan Island Service in Mandarin 0400 GMT 12 Jun 85

[Text] By the end of May, 87 leading cadres at and above departmental and bureau levels of 30 units at and above bureau level in Hainan Li-Miao Autonomous Prefecture had returned bonuses of 25,162 yuan which they received in excess of the amounts stipulated, and which accounted for 79.3 percent of the bonuses which should be returned.

In the course of party rectification, the autonomous prefectural CPC Committee has organized party members and cadres to seriously study the relevant documents of the central authorities and the provincial CPC Committee so that they can enhance their political awareness, strengthen their party spirit, and seriously correct new unhealthy trends. Moreover, it has organized cadres in units, including the autonomous prefectural auditing bureau, finance bureau, and labor bureau, into a bonus investigation office, which investigated and dealt with the bonuses and materials issued by units at the autonomous prefectural level last year. Over 100 cadres at and above departmental and bureau levels of some 40 units last year received bonuses in excess of the amounts stipulated.

The autonomous prefectural CPC Committee has made a decision that the bonuses received which were in excess of the amounts stipulated must be returned in full to the state. The director of the autonomous prefectural public health bureau has returned the refrigerator bought at a low price and two bureau deputy directors have made further payments of the balance between the price they actually paid and the market price.

HENAN PARTY LEADER COMMENTS ON RURAL WORK ISSUES

HK130247 Zhengzhou Henan Provincial Service in Mandarin 1230 GMT 12 Jun 85

[Text] While listening to a report on 10 June given by a responsible comrade of the provincial rural economy guidance commission on current rural work, Henan Provincial CPC Committee Yang Xizong stressed: In the current excellent rural situation, the leader comrades at all levels must keep clear heads. When we say that the situation in rural areas is very good, we do not mean that all problems there have been solved. In fact, the rural problem we have concentrated on solving is that of food and clothing for the peasants. The rural economy is still rather backward and very far from true affluence. At the same time, all kinds of new problems will crop up as we carry out rural reforms in depth. The party committees at all levels can never lower their guard; far from relaxing leadership over rural areas, they must strengthen it.

The responsible comrade of the provincial rural economy guidance commission said that the peasants have encountered five worries in the current readjustment of the rural production structure. These are: not knowing what crops to grow; suffering losses; price instability; lack of sales outlets; and excessive burdens.

Comrade Yang Xizong said: The new worries of the peasant masses involve all rural work and the development of the rural economy. The worries of the peasants are also the worries of the leaders, and reflect the weak links in our work. These new worries that have appeared among the peasants in the new situation show that they are striving for economic results in developing commodity production and want to get hold of economic information. They express the strengthening of the peasant masses' viewpoint of commodity economy. In the past, the cadres arranged everything the peasants did, and crops were grown according to the cadres' order. Now that the system of state monopoly purchase and assignment has been abolished, the peasants are a little unaccustomed to things. The idea that the current rural situation is excellent and all problems there have been solved, and thus proceeding to relax leadership over rural work, is wrong.

Fundamentally speaking, the way to solve the peasants' new worries is to develop rural production and invigorate the rural economy. The way to do this is to expand the production outlets, do a good job in readjusting the rural production structure, strengthen urban-rural ties, and develop commodity economy. Therefore, eliminating the peasants' worries and difficulties is an important task facing the party committees and government at all levels. It is an important item of work for stimulating rural economic development. All sectors and departments must closely cooperate, coordinate their efforts, and work hard to do a good job in this respect.

In view of the new conditions and problems in rural Henan, Comrade Yang Xizong demanded that the departments concerned carry out the following tasks:

1. Grasp easing the peasants' burdens as a major measure for bringing closer relations between the cadres and masses. Rules and regulations that do not accord with the spirit of CPC Central Committee document No 1 of this year must cease to apply.
2. It is necessary to take positive and effective steps to promote the procurement of summer crops. Since capital is very tight, the departments must closely cooperate to raise capital; they must certainly not turn the peasants' agricultural and sideline products away just because of the problem of capitals, thereby striking at the peasants' enthusiasm.

3. It is necessary to strengthen the development of [word indistinct] production in the rural areas and build the rural economy on a scientific basis.
4. Strengthen the building of [words indistinct] service systems and provide more guidance for the rural areas.
5. The departments concerned must study and formulate measures regarding the prices of materials used in rural production and the [words indistinct] prices in mountainous and poor areas.
6. Step up the training of rural grass-roots cadres [passage indistinct]

LANDSLIDE REPORTED IN ZIGUI COUNTY, HUBEI PROVINCE

HK130506 Beijing ZHONGGUO XINWEN SHE in Chinese 0231 GMT 31 Jun 85

[Text] Beijing, 13 Jun (ZHONGGUO XINWEN SHE) -- This morning our reporter learned from the central flood control office that two consecutive landslides had taken place in Zigui County, Hubei Province, along the Three Gorges of the Chang Jiang on 10 and 12 June. Navigation has been suspended in that section of the Chang Jiang.

In the early hours of 10 June, a landslide took place along the northern bank of the Chang Jiang at the Xiling Gorge between Jiangjiapo and Guangjiayan in Xintan Town, Zigui County. The width of the landslide slope was 150 meters and the landslide volume was 63,000 cubic meters. No casualties were reported as all local residents had been evacuated thanks to timely forewarning.

At 0345 on 12 June, another landslide took place on a huge pile resulting from previous landslides located behind Xintan Town, with a landslide volume of 13 million cubic meters. More than 2,400 residential houses in the town were smashed in the landslide, but all residents had been evacuated in advance. A mass of 500,000-600,000 cubic meters of soil slipped into the river, resulting in giant waves which swept away a warehouse located 40 meters away on the opposite side of the river. Six ships on the river were overturned, resulting in one dead and six missing.

Zigui County is 80-90 kilometers away from the Gezhou Dam, the largest key water control project on the Chang Jiang.

The Hubei provincial government held a meeting yesterday morning to work out emergency measures. The government has already sent an investigation group to the scene of the landslides. Departments concerned are keeping watching for any developments in the danger zone. It is reported that the slope between Jiangjiapo and Guangjiayan is still slipping at a rate of 1.5 meters per hour.

GUIZHOU ACHIEVES RESULTS IN BANNING PORNOGRAPHIC TAPES

HK130825 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 11 Jun 85

[Text] Our province has achieved marked results in banning pornographic videotapes. Since April this year, CPC committees and governments at all levels have seriously implemented the regulations of the State Council on strictly prohibiting pornographic articles and have organized public security departments and propaganda, cultural, education, broadcasting, television, and industrial and commercial administrative departments to unfold the work of banning pornographic videotapes. On the basis of extensive investigation, all places have straightened out videotape showing points, inspected videotapes, renewed business licenses, confiscated a large number of pornographic videotapes, and, in accordance with the law, punished criminals who smuggled, sold, and duplicated pornographic videotapes.

SICHUAN PROVINCIAL ORGANS RESIST MALPRACTICES

HK130719 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 12 Jun 85

[Text] According to SICHUAN RIBAO, more than 400 units under provincial departments, commissions, bureaus, and offices which are now carrying out the second stage of party rectification have treated examining new malpractices as the focus in party rectification and have conducted all-round reexaminations, achieving initial results.

At present, 15 leading cadres have resigned their posts in economic entities according to relevant regulations. The vast majority of the 81 units which issued clothing and clothing allowances have properly handled the matter according to relevant regulations of the State Council by working out plans for repaying the money. The provincial daily necessities and sundry goods company has recovered all the clothing allowances issued. All of the 77 units which started issuing lunch allowances in January have now stopped issuing the allowances. The problem of the provincial film company using some 70,000 yuan of public funds to buy shares for and issue bonuses to every staff member and worker of a youth shop established by the company has now been corrected. Of the 449,800 yuan of public funds which 11 units issued to their 428 staff members and workers to buy color television sets and other luxury goods within a certain period, some have been recovered and some will be repaid by the people concerned who have worked out repayment plans. Of the rewards given by the units concerned to managers and office personnel of the provincial economy and trade department, the provincial grain and oil products company, the provincial tea company, and the provincial livestock products company, some have been returned to the units concerned and some have been submitted to their own company authorities for unified disposal.

GANSU HELPS POOR AREAS BUILD ROADS, WATER FACILITIES

HK130639 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 10 Jun 85

[Station commentary: "It Is Necessary to Actively Take the Measures of Replacing Relief Work With the Offering of Jobs to Vigorously Develop the Communications and Water Conservation Causes"]

[Text] In order to help poor areas open wide their doors, carry out exploitation, get rich, develop commodity production, and change their poor outlook as soon as possible, the CPC Central Committee and the State Council have decided to appropriate a large amount of grain, cotton, and cloth from state reserves and use the method of replacing relief work with the offering of jobs to support poor areas to build county and township roads and water conservation projects. This is an important measure which the state is taking when it is still in economic difficulties. This is a concern which it shows for the people in poor areas.

The provincial government has attached great importance to the implementation of the relevant policies and regulations on replacing relief work with the offering of jobs and to speeding up the development of communications and water conservation causes. At the end of November last year, it made arrangements for repairing and building roads and water conservation projects in poor areas and formulated express regulations on how to control and use these materials well.

Since last winter, through concerted efforts, departments concerned at the provincial level and prefectures, autonomous prefectures, counties, and cities have carried out their plans and tasks and started building projects. They have sent and organized technicians to conduct surveys and do design work. Contracts have been signed at all levels. Forces have been organized to engage in construction. Certain achievements have been made.

However, some leading cadres do not sufficiently understand the significance of replacing relief work with the offering of jobs to repair and build county and township roads and water conservation projects. They still have the idea of waiting, relying, and requiring. Some prefectures and counties did not grasp work well at the previous stage and lack unified plans. Their projects have progressed slowly.

At present, leaders at all levels must further unify their thinking, enhance their understanding, strengthen their confidence, carry out scientific management, set high standards and strict demands, and lay stress on quality to ensure that all projects are completed well. Moreover, it is necessary to do well in inspection, assessment, and comparison. Once a problem is discovered, it must be promptly solved. It is imperative to try every possible way to guarantee the fulfillment of this year's quotas.

GANSU EVALUATES PEASANT WEALTH, RURAL ECONOMY

HK130811 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 11 Jun 85

[Text] In the beginning of June, while summing up the collected data at a meeting, the comrades taking part in the investigation of typical socioeconomic examples in the rural areas throughout the province proposed: It is necessary to realistically understand Gansu's rural situation, to accurately evaluate the wealth of the peasants, to do work well in a down-to-earth manner, and to basically change Gansu's outlook.

In accordance with the unified arrangements by the central authorities, since the end of last December, the whole province has organized over 200 cadres of the province and its prefectures, counties, and townships and technicians in specific fields to completely and systematically investigate typical socioeconomic examples in 14 selected and representative rural points throughout the province. A large amount of first-hand data shows that since the 3d Plenary Session of the 11th CPC Central Committee, Gansu's rural areas have undergone a historic change. However, this change has not basically changed Gansu's outlook. According to the investigation of the typical examples, 94 percent of rural labor force throughout the province is still engaged in farming and the per capita net income from rural comprehensive development is 37.59 percent lower than the national per capita income of peasants.

After comrades attending the meeting carefully studied the data collected in the course of investigation, they put forward valuable views on solving some problems in current rural work. They held: Over the past few years, the focal point of rural work has been shifted to the organization and development of specialized households. It is correct to help some of the peasants to get rich first. However, we must not forget to help the many poor households in the mountainous areas. While going all out to grasp rural economic construction well, we must also strengthen ideological and political work and scientific, cultural, education, and public health work for the peasants.

The comrades taking part in the investigation of typical examples held: It is necessary to completely analyze the new situation in the current changes of Gansu's rural areas in the course of development, to strengthen work in distant mountainous areas, pastoral areas, and old liberated areas, to help the peasants readjust the production structure according to their local conditions, to seriously do well in ideological education and in helping the poor, to promptly discover the solve new problems constantly emerging in rural areas, and to speed up the development of the rural economy of our province.

XINJIANG EXPLORATION WELLS BEGIN PRODUCING OIL

OW110804 Beijing XINHUA in English 0708 GMT 11 Jun 85

[Text] Urumqi, June 11 (XINHUA) -- Two exploration wells in a new oil field in the Junggar basin, Xinjiang Uygur Autonomous Region, have begun producing oil, according to local geologists.

One of them is pumping out 350 barrels of oil per day, and other two wells now being drilled have shown good prospects of gas.

Handsome oil reserves are expected in the field, the geologists said.

The Xinjiang Petroleum Administration began exploring the eastern part of the basin in 1981.

BRIEFS

XINJIANG INDUSTRIAL PRODUCTION -- In the first 5 months of this year, the region's industrial output value was 2.6 billion yuan, an increase of 24.69 percent over the same period last year. [Summary] [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 6 Jun 85 HK]

RADIO QUESTIONS MAINLAND MOTIVES, THREATS

OW130451 Taipei International Service in English 0200 GMT 13 Jun 85

[Station commentary: "Peking Reiterates Threats"]

[Text] A spokesman for Red China's Ministry of Foreign Affairs declared last Wednesday that the Communist authorities have not promised, and will never say, that they will not use military force against the Republic of China on Taiwan.

The Communist spokesman Y.C. Ma was apparently responding to a recent U.S. State Department statement reminding Peking that Teng Hsiao-Ping has openly pledged to seek a peaceful solution to the so-called "Taiwan question."

Peking was also trying to keep up its pressure on the U.S. about arms sales to the Republic of China. Peking's new ambassador to the U.S., Han Hsu, sang the old tune in an interview with the ASSOCIATED PRESS that the so-called residual relations between Washington and Taipei stand in the way of development of Peking-U.S. ties and demanded that the U.S. set a date to cut off arms sales to free China.

Shortly before Han gave the interview, Peking's party General Secretary Hu Yao-pang said invasion of Taiwan would take place as soon as the Communists have the military capability, if the Republic of China still refuses to surrender by them. A couple of months earlier, Teng Hsiao-ping publicly boasted that Peking has the capability to blockade Taiwan even if an invasion is militarily unwise for the moment.

The series of threats, which were made within a short span of time, clearly indicates that Red China is making an orchestrated move to blackmail the U.S. into accepting its terms for friendship. But it would be foolish for the Republic of China and its friends to regard the recent pronouncements from Peking as empty threats.

It is true that the Communist rulers in Peking are putting economic modernization before its military modernization. But they have not stopped preparing for military action against the Republic of China. This was dramatically revealed in a boat hijacking incident late last month.

On May 21, a Weeklung-based fishing boat with 5 crew members aboard was operating some 16 nautical miles east of Tung Ying, an islet of the Matsu Group off the Fukien Coast, when it was suddenly approached by a Communist motor junk. Five of the junk's dozen or so crew members in plain clothes armed with an automatic rifle and a camera boarded the ROC fishing boat and forced the fishermen to circle Tung Ying for 2 hours while 1 in the boarding party took pictures of ROC military installations on the islet.

The ROC fishermen regained the control of their boat only when one of them jumped on the armed Communist cadre while another grabbed the rifle and fired two warning shots into the air.

If Peking was not preparing to use force against free China, one would like to know why the Communists were so interested in the defense installations on a small island which poses no threat to the mainland at all.

TAIWAN VIEWS BEIJING'S LATEST PEACE OFFENSIVE

OW110921 Taipei International Service in English 0200 GMT 11 Jun 85

[Station commentary]

[Text] Peking made another peace offensive against the Republic of China last week by proposing Red Cross talks to reunite families separated since the Communist usurped the mainland in 1949. The Chinese Communists made the new move in the wake of two incidents. A month or so ago the Red Cross of the Republic of China requested the International Red Cross to secure the release of a freighter seized by the Chinese Communists following a collision with a mainland fishing boat. More recently, Red Cross representatives of the two Koreas met to discuss the reunion of separated families.

The ROC Red Cross immediately rejected the Peking proposal. Many people may ask why Free China rejected a suggestion that appears to be humanitarian. They may consider Taipei obstinate or stubborn, but the government and people of free China have strong reasons to say no to all peace gestures from Peking.

If the ROC agreed to hold the Red Cross talks, Peking would certainly follow up with suggestions for meetings to discuss peaceful reunification. One may ask what is wrong with that? Well, it is a Trojan horse. If free China said OK, let's talk, it would amount to accepting Peking's call for surrender. The Chinese Communists have made it plain that the ROC Government would have to go to the negotiating table as the local authority while Peking deems itself the central government. Peking's peace overture to the Republic of China is in fact a heads I win, tails you lose trick. The strategem was best summed up by Teng Hsiao-ping at a united front work conference. He said -- and we quote -- Mr Chiang has consistently refused to talk with us because he knows that once he gives the go ahead signal, we would have won -- end quote.

Three developments are likely to follow if Taipei is foolish enough to fall into Peking's peace trap. First, the mainland people would lose their last ray of hope of regaining freedom and democracy while the Overseas Chinese community would stop supporting free China. Second, there would be internal dissension in Taiwan leading to social unrest and economic chaos. Third, the U.S. would stop arms sales to the Republic of China on the ground that the ROC no longer needs weapons for defense.

So, the Republic of China has everything to lose and nothing to gain by entering into talks with Peking. The 19 million free Chinese simply cannot trade their very survival for a better international image. That is why they are so-called stubborn and obstinate in refusing to contact the Chinese Communists under any circumstances.

MILITARY PREPARES FOR THREATEND INVASION

OW121125 Taipei CNA in English 0940 GMT 12 Jun 85

[Text] Taipei, June 12 (CNA) -- The Republic of China is modernizing its Navy and moving its military installations and major weapons underground in preparation for a threatened invasion from across the Taiwan Straits, the Ministry of National Defense [MND] reported.

In a written reply to the Control Yuan's inquiry about the nation's military preparedness, the Defense Ministry said foreign technology is being imported to build a "second-generation" naval fleet to replace the nation's aging fleet of destroyers.

The U.S.-supplied destroyers, which are of World War II vintage have been beefed up, but they will have to be retired in 10 years, MND said.

Because building naval ships is both expensive and time-consuming, MND said it is stepping up the replenishment and maintenance of a second generation of naval ships.

MND specifically mentioned the building of missile-equipped corvettes and patrol vessels.

Major weapons and equipment of ground forces and logistics installations are being gradually moved into underground shelters.

Besides strengthening the protection of existing air and naval bases, new bases for the nation's fighter and naval fleets are being built in eastern Taiwan.

MND said projects going on include underground bases for the Air Force in Hualien and Taitung, a new naval base at the port of Suao and underground oil storage depots.

MND also reported that the two submarines the ROC has ordered from the Netherlands will be delivered on time.

In recent months, Peiping has repeatedly threatened to use force against the ROC if Taipei continues to reject its "one country, two systems" proposal.

These threats are not taken lightly in free China. Only last week the MND held a live ammunition military exercise in southern Taiwan to test the Armed Forces' preparedness.

In addition, air raid drills will be held throughout Taiwan shortly. Unlike those previously, the drills this year will not be announced beforehand to simulate wartime reality.

MAINLAND SCIENTIST DEFECTOR TO MEET PRESS SOON

OW120309 Taipei CNA in English 0238 GMT 12 Jun 85

[Text] Taipei, June 11 (CNA) -- Dr Chen Hung-ping, a mainland Chinese scientist who sought freedom in the Republic of China during a transit stop at the Chiang Kai-shek International Airport Monday, will meet the press soon and explain the reasons why he had decided to seek freedom here, it was learned Tuesday.

Chen, 48, is a native of Heilungkiang Province in northeastern China. He arrived in this nation Monday afternoon aboard a foreign airliner for a transit stay at the CKS Airport, and then told the airport staff his decision.

FURTHER ON BASIC LAW DRAFTING COMMITTEE

HK120639 Hong Kong SOUTH CHINA MORNING POST in English 12 Jun 85 p 16

[By K.C. Tsang]

[Text] The Hong Kong and Macao Affairs Office headed by Mr Ji Pengfei will play a crucial role in the drafting of the basic law. A full list of the 59-member committee revealed by the TA KUNG PAO yesterday shows that apart from Mr Ji, who will head the committee as chairman, it also includes several key figures from the office, such as his deputy, Mr Li Hou, Mr Lu Ping and Mr Zheng Weiping, who lived in Hong Kong before and has kept abreast of developments.

Mr Li will be the secretary-general of the committee, assisted by Mr Lu and Mr Mao Kunnian, the deputy secretary-general of the Hong Kong office of the NEW CHINA NEWS AGENCY. It is understood the secretariat of the committee will provide the support staff. The presence of Mr Mao, who joined the NCNA in Hong Kong about a year ago, will provide a link between the local branch of the news agency and the Hong Kong and Macao Affairs Office in Beijing.

Although there have been suggestions lately that there will be additions to include high-calibre figures like the senior Unofficial of the Executive Council, Sir Szeyuen Chung, one well-placed official close to the NCNA said any change to the list seemed "quite unlikely" at this stage.

In an interview with reporters on Monday, the director of the local branch of the NCNA, Mr Xu Jiatun, who is a vice-chairman of the mainland members, ducked a question on the possible inclusion of additional members by suggesting that people should get the answer either today or tomorrow.

The composition of the committee shows seats reserved for Hong Kong are close to 40 percent of the total. One interesting point is that more than a dozen of the mainland members are septuagenarians or older, with the oldest aged 86. Their ages are on average 10 to 15 years older than the 23 members appointed from Hong Kong.

The oldest member from Hong Kong is the publisher of the TA KUNG PAO, Mr Fei Yiming, who 77 and the youngest is the 35-year-old vice-chairman of the Hong Kong Federation of Trade Unions, Mr Tam Yiu-chung.

Fifteen of the mainland members are all in responsible positions in various departments. They include the vice-minister of the External Economic and Trade Department, Mr Jia Shi, and the director of the Overseas Chinese Affairs Office, Mr Liao Hui, the son of the late head of the Hong Kong and Macao Affairs Office, Mr Liao Chengzhi. Two most prominent figures are Mr Zhou Nan, who led the Chinese team in negotiations with Britain on Hong Kong, and Mr Ke Zaishou, head of the Hong Kong and Macao Affairs Office of the Foreign Affairs Ministry, who also heads the Chinese team on the Joint Liaison Group.

Observers believe Mr Ke's presence on the committee and the Joint Liaison Group is most interesting. The group will deal with matters concerning Hong Kong's transition, which will likely touch on political reforms -- a matter that falls within the territory of the basic law. The presence of Mr Ke in both groups will perhaps provide better co-ordination for China in the drafting of the basic law in light of changes in Hong Kong.

There are two senior cadres from the Central Committee of the Communist Party, while a third, Mr Hu Sheng, is a noted scholar on Chinese history. He is now head of the Central Committee's research unit on the history of the party.

As many as 14 of the members are involved in legal affairs work. One member who is familiar with Hong Kong's legal matters is 84-year-old Mr Mok Ying-kwai. Mr Mok lived and practised law in Hong Kong until the 1950s. He is the vice-chairman of the Guangzhou Chinese People's Political Consultative Conference. Three members are appointed from the various so-called "democratic parties." The well-known figures chosen from Hong Kong and the mainland suggests that China hopes to command public confidence through the members' long-standing records of service to the community, especially those from Hong Kong.

So far China has not said that all those appointed will serve out the entire period -- up the early 1990s -- on drafting the basic law or that there is a limit to the number of people to sit on the committee. Commenting on the ages of the members, one knowledgeable source told the SCM POST there is indeed flexibility for change of members at some stage, depending on the circumstances. Obviously these who are 80 and above may not have to sit through the whole period, but their service in the initial stage of the committee's work would be significant, the source said. In this respect, there are likely to be opportunities for younger members of the community to be appointed to the committee later.

One problem to be resolved, however, is that because of the size of the committee, meetings with all members present will make discussions difficult. It is not known at present whether there will be a division of work with separate groups handling different sections of the basic law.

END OF

FICHE

DATE FILMED

18 JUNE 85

